Brembo Annual Report 2024

brembo

NOTE ON PRESENTATION

The annual report at 31 December 2024 was prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), as adopted by the European Union and with Section 2:362 (8) of the Dutch Civil Code ('DCC'), pursuant to Part 9 of Book 2. The IFRS designation also includes the International Accounting Standards ('IAS') as well as all the interpretations of the International Financial Reporting Interpretations Committee ('IFRIC'), formerly the Standard Interpretations Committee ('SIC').

This copy of the annual report of Brembo N.V. for the year 2024 is not in the ESEF-format as specified by the European Commission in Regulatory Technical Standard on ESEF (Regulation (EU) 2019/815). The ESEF reporting package can be found on our website https://www.brembogroup.com/en/investors/reports.

ADAPTATION PLAN PURSUANT TO ARTICLES 15 AND 18 OF THE MARKET REGULATIONS

In accordance with Articles 15 and 18 of Consob Regulation 20249 of 28 December 2017 and subsequent amendments concerning 'conditions for listing shares of companies that control companies established and governed by laws of non-EU countries', the parent company Brembo N.V. (the 'Company' or 'Parent Company' or 'Brembo' and together with its subsidiaries 'Brembo Group' or the 'Group') has identified its significant subsidiaries as defined in Article 15 (2) of the above-mentioned Regulation, and verified that the conditions set out in paragraphs b) and c) of Article 15 have been met.

INFORMATION ON THE FIGURES PRESENTED

All the figures in this annual report are expressed in thousands of euro (except for the figures in separate financial statements, which are in euro), whereas the original data is recorded and consolidated by the Group in euro. Similarly, all percentages relating to changes between two periods or to percentages of net revenue or other indicators are always calculated using the original data in euro. The use of amounts expressed in millions of euro may therefore result in apparent discrepancies in both absolute amounts and data expressed as a percentage.

The language of this annual report is English. Certain legislative references and technical terms have been cited in their original language in order to give them their correct technical meaning under applicable law.

EUROPEAN SINGLE ELECTRONIC FORMAT REQUIREMENTS

Pursuant to article 4 of the Transparency Directive, starting from 2021 reporting period, the financial statements schema in the annual financial report is prepared in XHTML format, in compliance with the European Single Electronic Format (ESEF) as a company listed on a European Union regulated market. In addition, issuers preparing IFRS consolidated financial statements shall mark those up using Inline XBRL. Brembo Group manages ESEF by leveraging a dedicated outsourced IT software that allows compliance with the regulation.

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LETTER FROM THE EXECUTIVE CHAIRMAN

Shareholders,

I am very pleased to share with you the Annual Report of a truly significant year for Brembo. For the first time, we are presenting our Annual Report in an integrated form, highlighting, on the one hand, the link between strategy, governance and financial performance and, on the other, the social, environmental and economic context in which we operate.

The further development of our innovation strategy, our major industrial investments, and our expansion into new business sectors were key elements of the year just ended.

The global market context continued to be full of complex challenges that Brembo faced with a strategy that has always proved successful: investing in the future and in innovation. On an industrial level, we forged ahead with our investment plan of over half a billion euro announced in 2023, opening up new horizons by entering countries such as Thailand, where we inaugurated a new plant dedicated to two-wheeler solutions. In Italy, we are expanding our production at Brembo SGL Carbon Ceramic Brakes S.p.A. and developing additional spaces within the Kilometro Rosso Science and Technology Park.

One of the most significant events in 2024 was the acquisition of the Swedish Öhlins Racing, announced in October and completed in early 2025. Öhlins is a leader in premium car and motorbike suspensions conceived for MotoGP, Formula 1, Superbike and NASCAR. It is a world-renowned brand, with a solid business and an unparalleled reputation. This acquisition is the largest transaction in our history and contributes significantly to strengthening the Group's brand portfolio.

These investments, which consolidate our global positioning, are made possible by our results. In a very complex scenario, marked by severe difficulties in the automotive industry, particularly in Europe, Brembo managed to keep revenues substantially stable at €3,840.6 million. In 2023, a year that had shown significant growth rates, revenues had amounted to €3,849.2 million. We were able to achieve these results thanks to the commitment and work of over 15,000 Brembo people around the world, who day after day contribute to making our Company great and to whom I extend my thanks.

Our goal is to ensure that Brembo continues to grow and maintain its leading position in the automotive market at the global level. To reach this milestone, in April 2024 we transferred Brembo's registered office to the Netherlands. This has allowed us to adopt a capital structure that is more flexible and aligned with our future development strategy. This transaction did not, and will not, affect Brembo people or its business, identity, culture or presence in Italy and in the other areas in which we operate. In fact, Brembo continues to retain its tax residence in Italy, and to be listed on the Italian Stock Exchange.

For Brembo, growth also means broadening its prospects, including with regard to its core business. In fact, our propensity to being a Digital Company drives us to continue exploring the endless opportunities offered by AI and data management. This is how we developed Sensify™: an intelligent braking system that is able to communicate and exchange information with the vehicle, setting a new benchmark in the automotive industry.

In line with this approach, in 2024 Brembo signed a global agreement with Michelin to fully exploit the potential of the respective intelligent brake and tyre solutions, with the aim of revolutionizing vehicle performance and offering drivers the highest safety and comfort standards. The ongoing exchange of real-time data between Michelin's connected solutions software provides data on tyre grip to Brembo's innovative Sensify™ braking system, allowing engineers to fine tune the braking system with exceptional precision.

Digitalization and data science are now one of the key elements of the automotive industry. It is for this reason that, after opening our first Brembo Inspiration Lab — a centre of excellence located in California, Silicon Valley, and specializing in software development and AI applications —, we have recently inaugurated, in the same area, Brembo Coding Hub, which focuses on software development innovation that integrates with our customers and their platforms.

In sharing our integrated Annual Report, which also illustrates how our activities embrace all ESG areas, I want to underline how essential it is for us to take into account their impacts on the Group and the impacts that the Group itself has on people, communities and the environment.

In fact, we are aware that we are an important player in the economic and social fabric of the local areas in which we operate all over the world. This generates a deep sense of responsibility towards people, organizations and institutions, and of course the environment. For this reason, in 2024 we continued to develop and implement projects and initiatives to engage and support local communities, with the aim of bringing tangible support to the areas of greatest social need. Our work and commitment in this area were recognized by various third parties, including the magazine VITA, which placed Brembo at the top of the ranking of large Italian companies in the four sectors of fashion, food, automotive and furniture precisely because of its social responsibility.

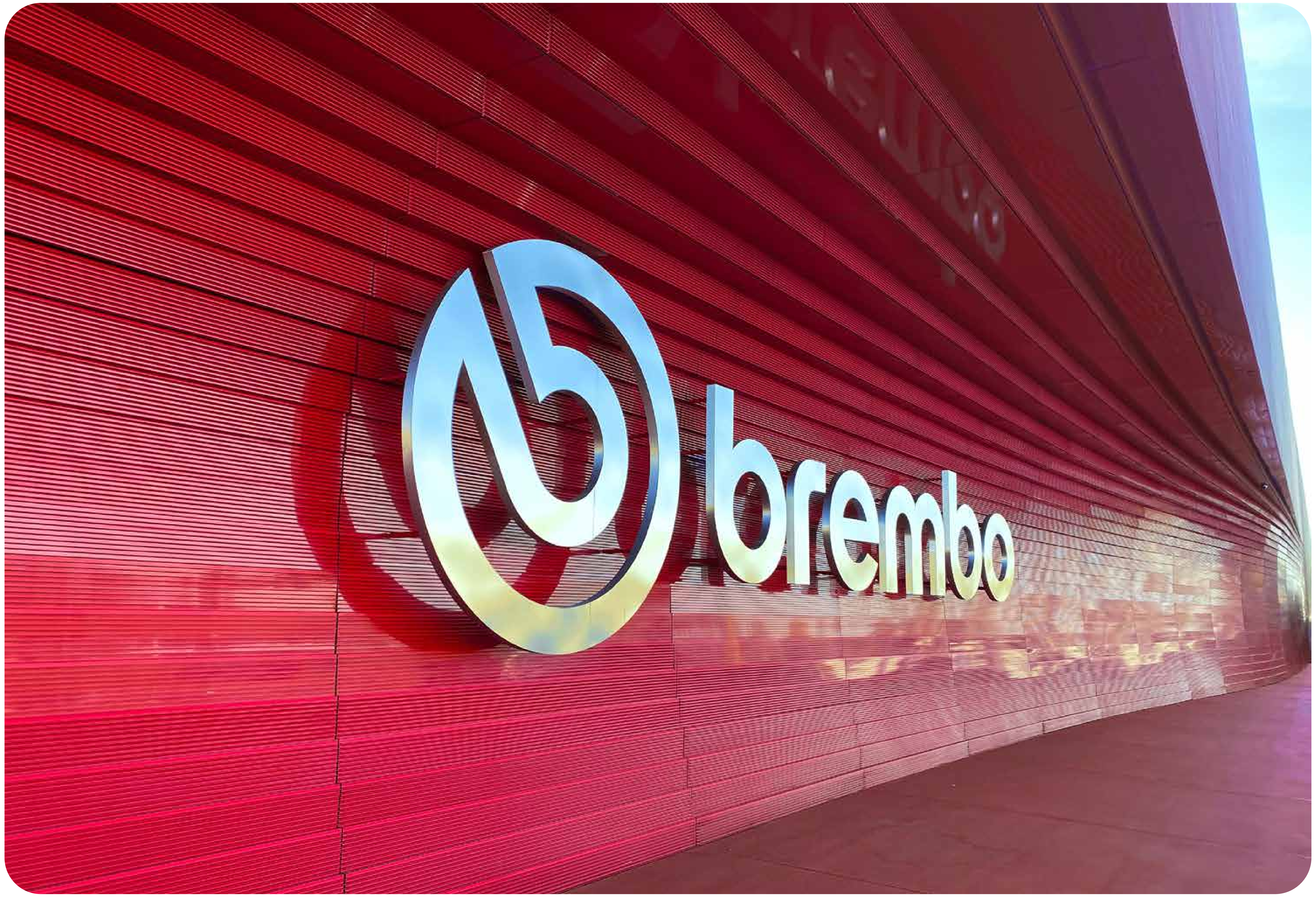
In 2024, we also wanted to involve all Brembo people in our Sustainability Week, a sharing initiative organized at all Brembo plants and offices around the world. It was an opportunity to encourage people to learn more about and share fundamental topics related to this area and saw the active participation of thousands of people, united in the name of sustainability.

In terms of environmental sustainability, I am particularly pleased to report that CDP recognized Brembo's commitment in 2024 as well, confirming us as one of the leading companies for action on climate change and water stewardship with an A-score in both categories.

As we grow and consolidate, what has not changed is our passion for and commitment to racing — a fundamental pillar in which we continue to invest to remain at the forefront of innovation. To further strengthen the Brembo name's association with the world of racing, in 2024 we became Title Sponsor of the MotoGP Italian Grand Prix at Mugello.

After 2024, we are now entering a new year that is particularly significant for us because we will celebrate 50 years of presence in the world of motorsport. Half a century of passion and innovation: two elements that have always set Brembo apart and that will continue to guide us in the future, towards the new challenges and new goals that await us.

The Executive Chairman
Matteo Tiraboschi



GUIDED BY OUR VISION AND MISSION.

Turning Energy into Inspiration and **Being a Solution Provider.**

Our vision and mission guide Brembo's continuous expansion. A constant and progressive growth that originates from what we have accomplished over time, in the awareness of being ready to reach new heights.

VISION AND MISSION

Electrification, digitalization, autonomous driving and environmental sustainability are macro-trends that have been at the centre of the automotive world and the strategies of the market's main players for some years.

Within this scenario, Brembo has been pursuing its mission of being a Solution Provider by proactively rising to the challenges posed by the ongoing transformation, focusing on the needs and desires of the new generations, which will be the users of tomorrow.

Brembo continues to invest significantly in innovation, driven by its vision "Turning Energy into Inspiration", which encourages the Group to extend its sphere of influence to embrace energy management in its broader meaning, not only in terms of components, but also in its role as authoritative systems provider. In addition to innovative hydraulic and mechanical components, innovation is also applied to software and artificial intelligence: this combination allows to aim at a high added-value product and service integration in order to anticipate the new mobility paradigms.

Sensify™ is the tangible outcome of this vision: the first fluid-free intelligent braking system that constantly interacts with the driver with a view to shaping a world without accidents. Its launch on the market, planned for 2026, will truly revolutionize the automotive industry.

At the heart of the Group's strategic vision there is also an overarching commitment to sustainability that has becomes a modus operandi within Brembo, permeating all activities, processes and products. This sustainability driven approach is increasingly present also in the relationship with its People, with its supply chain and in the local areas in which the Group operates.

In 2024, the Group continued to implement strategic projects within the three Pillars — Digital, Global and Cool Brand — through dedicated working groups that leverage a shared leadership and the cross-cutting competencies of all parties involved, engaging all Group Regions and outlining the growth direction for the forthcoming future.

DIGITAL

The world has entered the era of artificial intelligence applications focusing on data processing. The ability to analyze and manage data is a crucial skill for continuing to grow and create innovation. Accordingly, Brembo has set itself an ambitious goal: becoming a company that, alongside the production of braking systems, is able to develop and offer all-round solutions to its customers through the widespread dissemination of a solid data culture within the Group and an increasingly data-driven approach.

Consistently with this approach, in 2024 Brembo signed a global agreement with Michelin to combine their intelligent solutions that leverage algorithms, know-how, and expertise related to brakes and tires. The continuous exchange of real-time data between Michelin's connected solutions software provides tire grip data to Brembo's innovative Sensify™ braking system, thus enabling engineers to fine-tune the braking system with exceptional precision.

Confirming Brembo's increasingly data-driven focus, in 2024 the Group launched the brand-new Brembo Coding Hub, alongside the Brembo Inspiration Lab – which has been honing Brembo's Data Science and generative AI expertise since 2021. The Brembo Coding Hub is a software center designed to strengthen its expertise in this highly important field, pursuing innovation and allowing increasingly comprehensive integration of advanced electronic solutions into its braking systems.

GLOBAL

Brembo has long ago embarked upon its decentralization path and has now become a Group operating in 18 countries worldwide. Within this context, the Global Pillar aims to balance the Group's international footprint, not only from a commercial standpoint, but also in terms of technology and innovation, by developing and encouraging excellence at local level for the benefit of a global organization whose mindset is based on multiculturality, valuing of diversity and with inclusion as a shared value.

The opening of a new production plant in Thailand is a crucial step in the global expansion strategy of the Group, as it strengthens its position in the motorcycle segment and consolidates Brembo's role as a solution provider for customers operating in the country, thus laying the foundations for further development of its business in the ASEAN region.

As further evidence of Brembo's commitment to expanding its offerings for the automotive market, the acquisition of Öhlins, leading manufacturer of premium suspension technology both on the racetrack and the road, enhances Brembo's role as a Solution provider of integrated, intelligent solutions to its customers, leveraging synergies across key technologies in the vehicle's corner.

COOL BRAND

Brembo does not set limits on creativity and considers it essential to continuously engage in strengthening its brand, anchoring it to new trends that are reconfiguring mobility in line with the values and sensibilities of the new generations, especially Generation Z. The objective is thus to identify their passion, needs and tastes, and translate them into a unique brand experience able to generate tangible solutions.

In this framework, the world of racing, which has always been the Group's flagship, plays a particularly important part in Brembo, embodying the principles of Cool Pillar in engaging the widest and most diverse audience. In 2024, Brembo enthusiastically joined the 100th edition of the 24 Hours of Le Mans as Braking Technology Provider, and became Braking Inspiration Partner of MotoGP, also proudly taking on the role of Title Sponsor of the Italian Grand Prix at Mugello. Racing will be even more of a protagonist in 2025: Brembo celebrates 50 years in this world, and for this occasion it has launched a new Brembo Racing logo to celebrate 5 decades full of satisfaction and expertise.

1.

CORPORATE HIGHLIGHTS

1.1 CORPORATE BODIES [1]

Chairman Emeritus [2]

Alberto Bombassei

Board of Directors [3]

Executive Chairman	Matteo Tiraboschi [8]
Chief Executive Officer	Daniele Schillaci [8]
Directors	Cristina Bombassei [5] [8] Giancarlo Dallera [4] Elisabetta Magistretti [4] Umberto Nicodano [7] Elizabeth M. Robinson [4] Gianfelice Rocca [4] Michela Schizzi [4] [6] Manuela Soffientini [4] [9] Roberto Vavassori [8]

Independent Auditors

Deloitte Accountants B.V.[10]

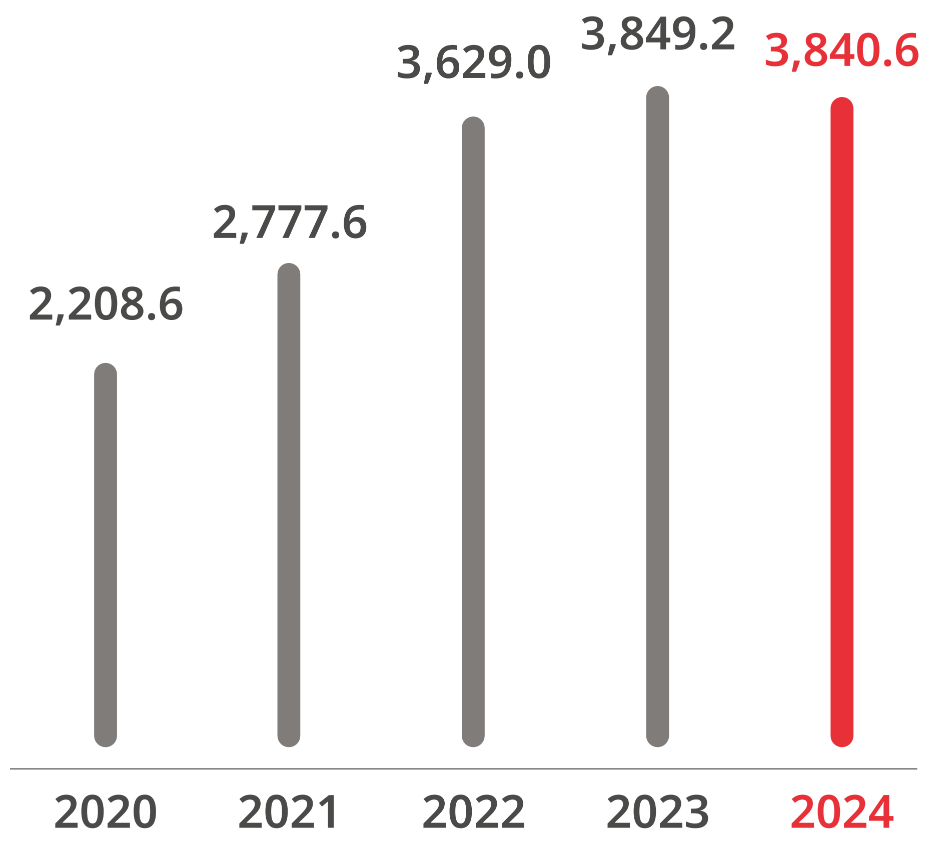
Committees

Audit, Risk and Sustainability Committee [11]	Elisabetta Magistretti (Chairwoman) Michela Schizzi Manuela Soffientini
Remuneration and Appointment Committee	Giancarlo Dallera (Chairman) Elizabeth M. Robinson Manuela Soffientini
Supervisory Committee	Giovanni Canavotto (Chairman) [12] Elisabetta Magistretti Matteo Tradii [13]

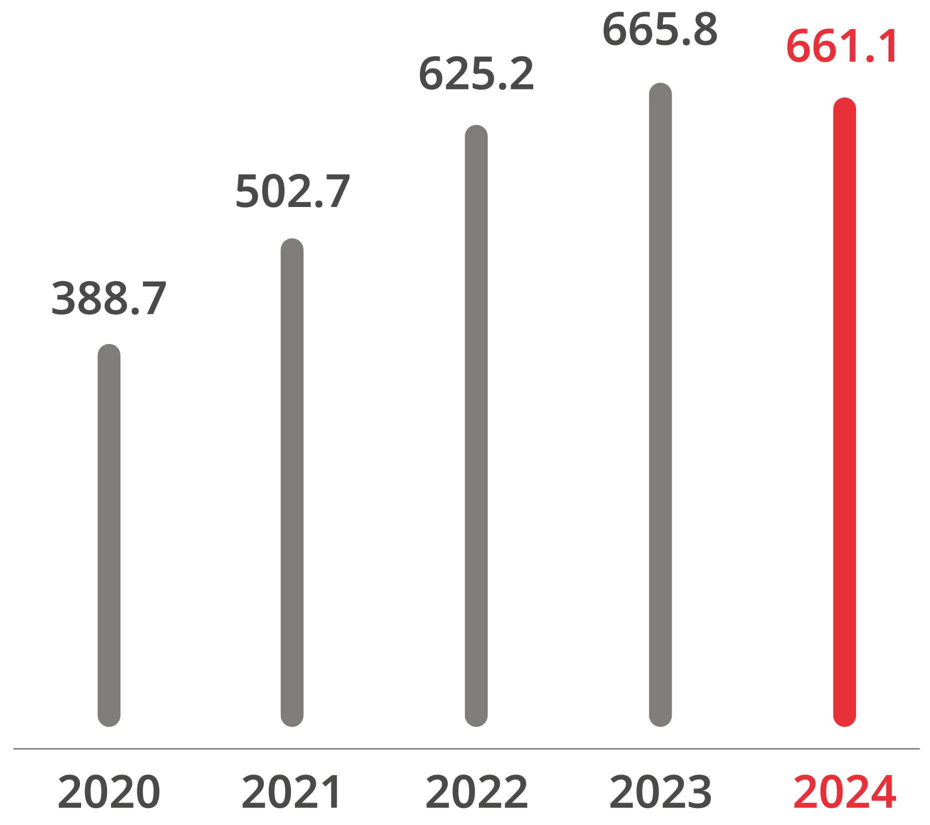
(1) Upon the entering into effect of the cross-border conversion, Brembo adopted a one-tier board management and control system pursuant to the Dutch Civil Code that does not provide for a Board of Statutory Auditors or any control body separate from the Board of Directors. Accordingly, the term of Brembo's Board of Statutory Auditors ended on the effective date of the transaction (24 April 2024). The control function will therefore be carried out by the Non-executive Directors, who, in compliance with the Dutch Corporate Governance Code, make up the majority of the members of the Board of Directors. The Dutch law does not provide for the position of the Manager in Charge of the Company's Financial Reports. Therefore, on that same date, Brembo's Manager in Charge of the Company's Financial Reports ceased his position, without prejudice to the Company's capability to ensure an adequate internal control and risk management system, suitable administrative and accounting procedures for preparing the Consolidated and Separate Financial Statements and any other financial disclosure.
(2) Appointed for an indefinite period.
(3) In office until the Annual General Meeting called to approve the Financial Statements for the year ending 31 December 2025.
(4) Non-executive and Independent Directors.
(5) The Director also holds the position of Executive Director in charge of the Internal Control and Risk Management System, as well as of Chief Legacy Officer.
(6) Director elected from a minority list.
(7) Non-executive Director.
(8) Executive Director.
(9) This Director also holds the position of Lead Independent Director.
(10) As of the Transaction Effective Date the Cross-Border Conversion (24 April, 2024), the statutory audit of the accounts has been carried out by the auditing firm belonging to the Deloitte network based in Amsterdam (i.e., Deloitte Accountants B.V.), since in accordance with Dutch law, the statutory audit of the accounts of the Company must be carried out by an auditing firm based in the Netherlands.
(11) This Committee also acts as the Related Party Transactions Committee.
(12) Independent Expert.
(13) Chief Internal Audit Officer.

1.2 KEY FINANCIAL HIGHLIGHTS

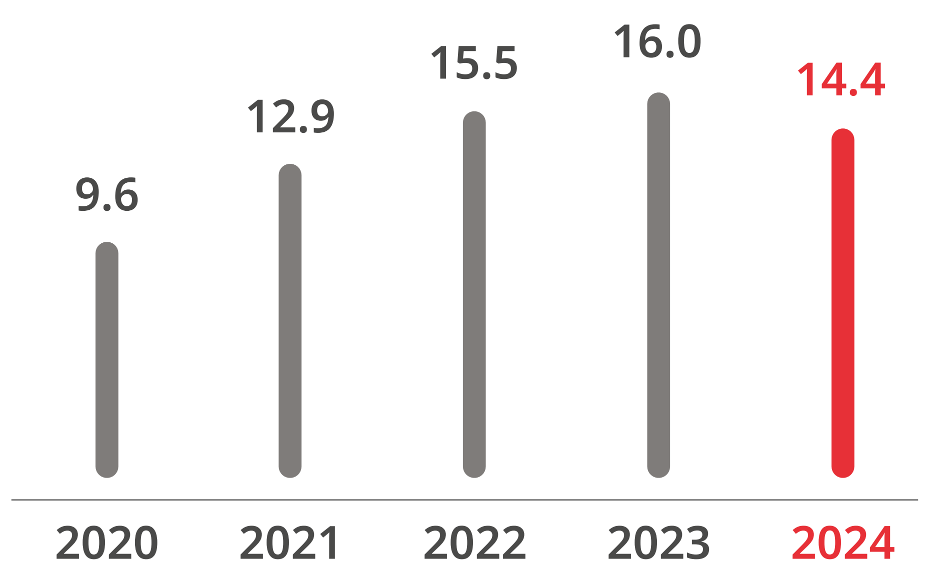
REVENUE FROM CONTRACTS WITH CUSTOMERS
(euro million)



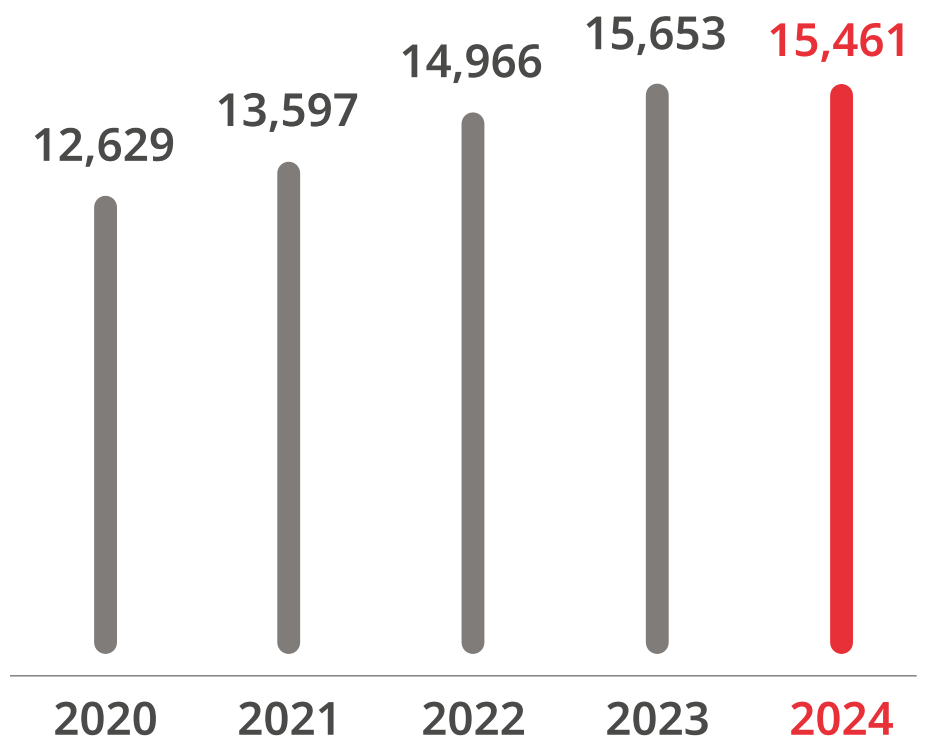
GROSS OPERATING INCOME
(euro million)



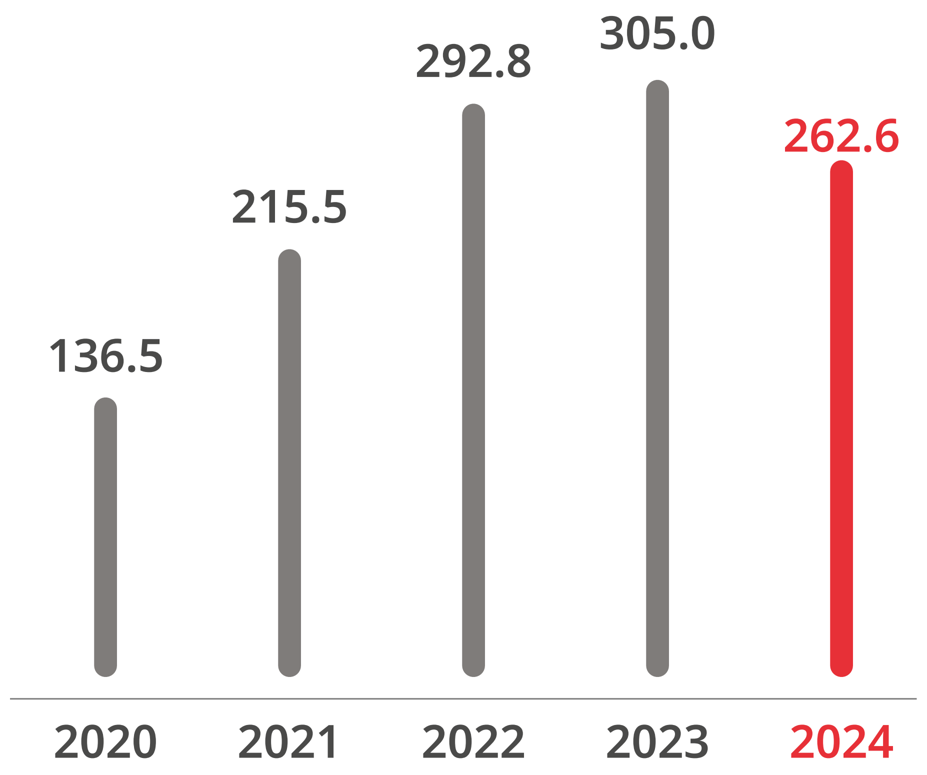
ROI
(percentage)



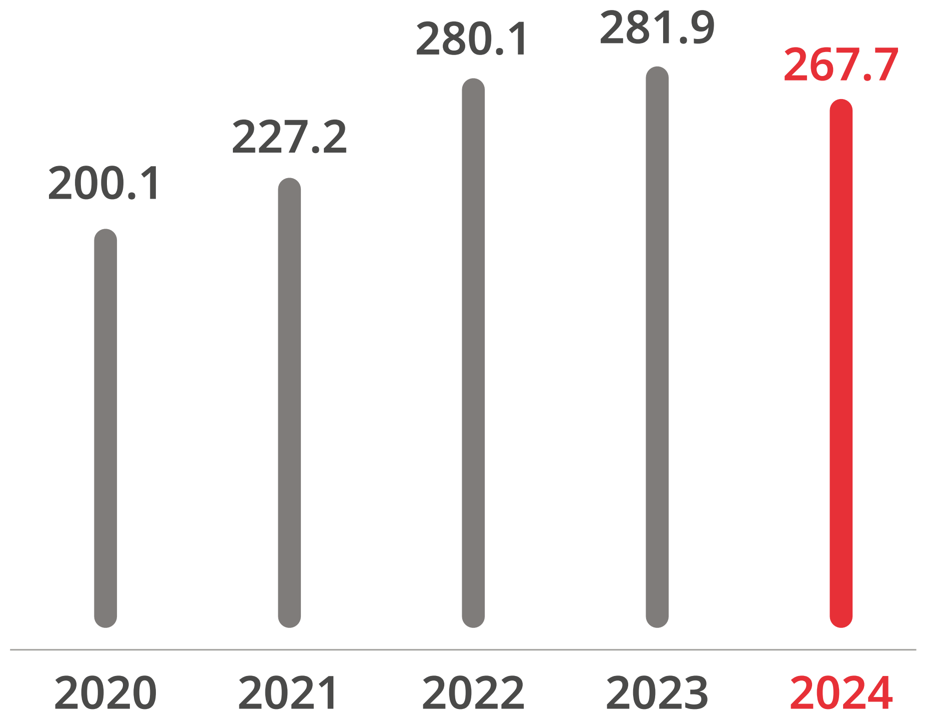
PEOPLE AT END OF YEAR
(number, including agency workers)



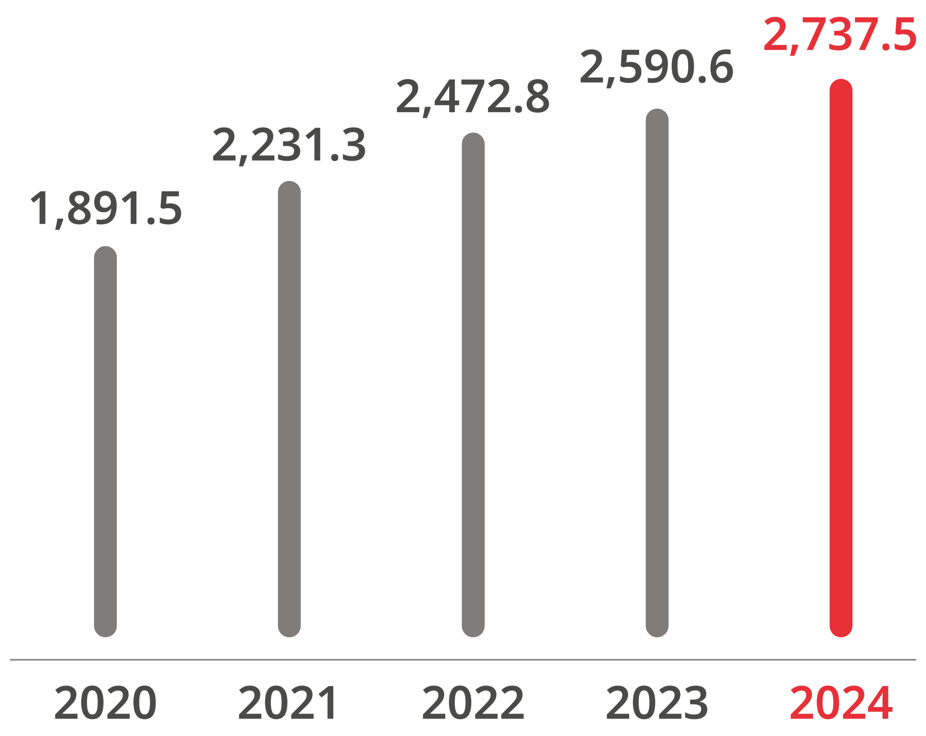
NET RESULT
(euro million)



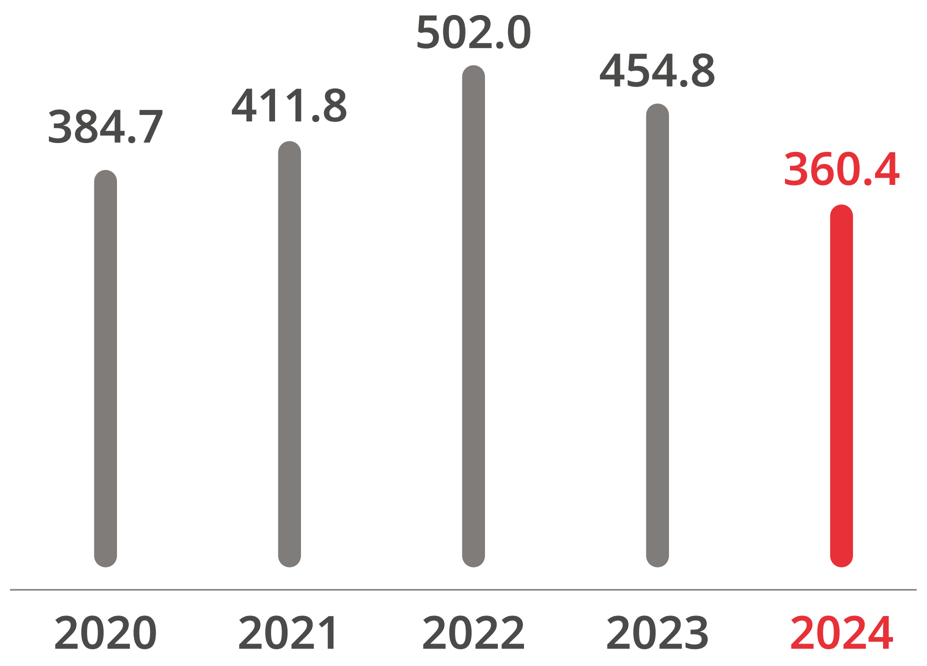
TURNOVER PER EMPLOYEE
(euro thousand)



NET INVESTED CAPITAL
(euro million)



NET FINANCIAL DEBT
(euro million)



Economic results

(euro thousand)	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	% 2024/2023
Revenue from contracts with customers	2,208,639	2,777,556	3,629,011	3,849,202	3,840,643	-0.2%
Gross operating income	388,685	502,696	625,204	665,778	661,056	-0.7%
% of revenue from contracts with customers	*17.6%*	*18.1%*	*17.2%*	*17.3%*	*17.2%*	
Net operating income	181,135	287,981	382,844	414,072	393,333	-5.0%
% of revenue from contracts with customers	*8.2%*	*10.4%*	*10.5%*	*10.8%*	*10.2%*	
Result before taxes	156,044	286,791	382,234	392,000	365,891	-6.7%
% of revenue from contracts with customers	*7.1%*	*10.3%*	*10.5%*	*10.2%*	*9.5%*	
Net result for the period	136,533	215,537	292,833	305,039	262,603	-13.9%
% of revenue from contracts with customers	*6.2%*	*7.8%*	*8.1%*	*7.9%*	*6.8%*	

Financial results

(euro thousand)	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	% 2024/2023
Net invested capital	1,891,493	2,231,294	2,472,841	2,590,611	2,737,526	5.7%
Equity	1,481,041	1,796,120	1,947,013	2,099,419	2,329,817	11.0%
Net financial debt	384,677	411,837	502,044	454,768	360,353	-20.8%

Employees and investments

(euro thousand)	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	% 2024/2023
Employees at end of period (No.)	11,039	12,225	12,956	13,654	14,348	5,1%
Turnover per employee	200,1	227,2	280,1	281,9	267,7	-5,0%
Net investments	150,189	210,006	282,135	412,159	408,242	-1,0%
Increases in leased assets	37,626	26,407	37,465	20,731	89,306	330,8%

Main ratios

	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024
Net operating income/Revenue from contracts with customers	8.2%	10.4%	10.5%	10.8%	10.2%
Result before taxes/Revenue from contracts with customers	7.1%	10.3%	10.5%	10.2%	9.5%
Net investments(*)/Revenue from contracts with customers	6.8%	7.6%	7.8%	10.7%	10.6%
Net financial debt/Equity	26.0%	22.9%	25.8%	21.7%	15.5%
Adjusted net interest expense (**)/Revenue from contracts with customers	0.8%	0.3%	0.4%	0.5%	0.7%
Adjusted net interest expense (**)/Net operating income	9.4%	3.4%	3.4%	4.9%	6.6%
ROI	9.6%	12.9%	15.5%	16.0%	14.4%
ROE	9.3%	12.0%	15.1%	14.6%	11.4%

Notes:
ROI: Net operating income (rolling 12 months)/Net invested capital.
ROE: Net income (loss) before minority interests (rolling 12 months) (net of Result from discontinued operations)/Equity.
(*) Net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant and equipment and intangible assets.
(**) This item does not include exchange gains and losses.

INCREASINGLY INTERNATIONAL.

Growing our knowledge and skills globally, including through transactions such as the acquisition of Öhlins Racing, the leading manufacturer of premium suspension technology, and the partnership with Michelin. The opening of a new production site in Thailand, the extension at the Kilometro Rosso Science and Technology Park in Italy and the new registered office in the Netherlands show Brembo's ever-expanding footprint around the world.

2.

DIRECTORS' REPORT

2.1 SIGNIFICANT EVENTS DURING THE YEAR

With regard to the Company's cross-border conversion effective 24 April 2024:

- on 12 January 2024, the Company proceeded with the Share Capital Decrease, from €34,727,914.00 to €3,339,222.50, instrumental to the Transaction, without cancellation of shares and without any reimbursement of capital to shareholders, through recognition to the Company's equity of a reserve of an equal amount. Therefore, this decrease had no impact on Brembo Shareholders' capital and administrative rights;
- the notarial deed of conversion, also amending the Articles of Association drafted pursuant to Dutch law, was executed on 25 January 2024, with effectiveness deferred to the day following the date of the Shareholders' Meeting of Brembo held on 23 April 2024 that approved, *inter alia*, the Company's Financial Statements for the year ended 31 December 2023;
- the payment of the liquidation value to those who had validly exercised the withdrawal right was effected on 31 January 2024. The Company thus acquired 4,387,303 unopted shares, equal to €57,456,120.09. Accordingly, as at the date of the approval of this Report, the Company holds 15,051,860 ordinary own shares;
- on 24 April 2024, the transfer of the Company's registered office to Amsterdam (The Netherlands), with the ensuing conversion into a *naamloze vennootschap* (N.V.), under the laws of the Netherlands, became effective. On the same date, the Company also established a secondary office, with permanent representation and fiscal residence, in Italy pursuant to Article 2508 of the Italian Civil Code, and requested the related registration with the Companies' Register of Bergamo. Brembo shares continue to be listed on Euronext Milan, organized and managed by Borsa Italiana S.p.A., under the new ISIN code: NL0015001KT6 as from 24 April 2024. A mechanism is also envisaged to allot Special Voting Shares to Brembo's shareholders. For information on this mechanism, reference should be made to the Company's website (www.brembo.com, section "Investors", "For Shareholders", "Registered Office Relocation").

In March, Brembo won the 'Brakes/Brake Pads' category in Auto Motor und Sport's BEST CARS 2024 awards, with 72.7% of the votes submitted. This marks the 11th win in 13 years for Brembo in this category, reinforcing its reputation as a leading automotive and motorcycle brake brand.
The extensive survey, conducted by one of Europe's largest consumer motoring titles, further cements Brembo's reputation as the most recognized, best-loved automotive and motorcycle brake brand.
In 2023 alone, Brembo topped seven 'Best Brand' polls by Motor Presse Stuttgart. The brand's iconic red calipers, introduced in the 1990s, have contributed to its distinct identity and widespread recognition.
Such extensive awards success makes Brembo even more committed to staying ahead of the competition. Backed by more than 40 years of brake testing and development in the world's most demanding motorsports, the company continues to pioneer improvements in driving experience, safety and green credentials that will respond to the needs of drivers, car manufacturers and racing teams well into the future.

The General Shareholders' Meeting of the Parent Brembo S.p.A. held on 23 April 2024 approved the Financial Statements for the financial year ended 31 December 2023, allocating net income for the year amounting to €139,265,254.39 as follows:

- to the Shareholders, a gross ordinary dividend of €0.30 per ordinary share outstanding, excluding own shares;
- the remaining amount carried forward.

In May, Brembo was awarded with the 2024 Red Dot Award for its GP4-MotoGP in the Best of the Best.
As one of the most important and prestigious design competitions, the Red Dot Award selects and celebrates the best creations that combine innovation with outstanding aesthetics. Winning this award further underlines the distinctive design of Brembo's solutions and confirms the company's unwavering commitment to bringing innovation to the mobility of tomorrow and the unparalleled capacity to combine design and performance up to top motorsport championships. Designed and developed to equip the ultimate generation of powerful road bikes, the GP4-MotoGP is a brake caliper born from the racetrack for the road and perfectly suits the needs of today's motorcycles and the most demanding track enthusiasts. The caliper is capable of taking performance and sportiness on the road to an unprecedented level.

On 10 July 2024, Brembo acquired a stake in Spoke Safety, a U.S. startup specializing in the development of digital communication technologies between vehicles and the road ecosystem. The company was founded in Denver, Colorado, in 2020 and its solutions are based on Vehicle to-Everything (V2X) technology, a communication system that connects vehicles in real-time with other vehicles, road users including cyclists, and smart city infrastructures such as traffic lights, with the goal of improving the driving experience and promoting greater road safety. Spoke Safety joins the portfolio of Brembo Ventures, the Company's venture capital unit that invests globally in top technological startups to support Brembo's innovation and accelerate the development of new mobility solutions for tomorrow.

On 2 October 2024, Brembo N.V. (the "Selling Shareholder") sold its entire stake of ordinary shares of Pirelli & C. S.p.A. ("Pirelli" or the "Company") through an accelerated bookbuilding offering (the "Placement"). The Selling Shareholder placed 55,800,000 Pirelli ordinary shares to institutional investors, equal to approximately 5.58% of the Company's issued share capital, at a price of €5.07 per share. The gross proceeds of the Placement amounted to approximately € 282.9 million. The settlement of the Placement took place on 4 October 2024.

On 11 October 2024 Brembo signed an agreement with Tenneco, a portfolio company of funds managed by affiliates of Apollo Global Management Inc., for the acquisition of a 100% stake in Öhlins Racing, the leading manufacturer of premium, high-performance suspension technology for motorcycles and cars in the Original Equipment, Motorsport, and Aftermarket segments. The enterprise value is $405 million on a cash free/debt free basis, subject to customary price adjustment mechanisms. The acquisition is subject to customary regulatory approvals and is expected to close in early 2025.

On 10 December 2024, Brembo and Michelin signed a global agreement to combine their expertise in braking systems and tire technology. This collaboration aims to enhance vehicle performance by leveraging real-time data exchange between Michelin's tire software and Brembo's SENSIFY® braking system. Initial tests have shown promising results, including a reduction in braking distances of up to four meters, regardless of tire wear or road conditions. This innovation is designed to benefit car manufacturers and consumers alike by improving safety and driving comfort.
The partnership highlights Brembo's strengths in braking systems and artificial intelligence, and Michelin's leadership in tire modeling and algorithm development. The continuous exchange of data allows for precise adjustments to the braking system, resulting in quicker response times, minimal traction loss, improved lateral stability, and no wheel locking. These advancements contribute to a smoother and safer driving experience, setting a new benchmark for braking systems in modern vehicles.

2.2 RESEARCH AND DEVELOPMENT

BRAKE DISCS FOR CARS AND COMMERCIAL VEHICLES

In the area of brake discs for cars and commercial vehicles, Brembo's strategic priority for 2024 was the development of technical solutions to meet the criteria of the new Euro 7 regulation, which for the first time has set standards for emissions of particulate matters from braking systems, with specific limits for different vehicle categories effective as of 2026.

Brembo is developing solutions for reducing particulate emissions from brakes. In 2020, it launched its Greentive® disc, with an innovative coating that reduces wear and tear and particulate emissions. Subsequently, the Company has forged ahead with research on new materials and technologies linked to the brake disc production process.

In parallel, it has also continued the concurrent development of brake pads — an activity essential to create an ideal combination with the brake disc able to ensure low emissions without compromising on performance.

Application developments with the major European market players are underway, and will continue in 2025 as well, with a view to applying these new solutions, which are meeting with interest also among other customers.

As regards discs for heavy commercial vehicles — a segment which is of particular interest to Brembo —, series production was launched in 2024 at some major European clients to produce new solutions aimed at improving disc performance and reducing their weight. In this regard, worth of mention was the significant recognition of the excellent performance of the new discs by a major European client.

MOTORBIKE

The motorbike areas, which will be further developed in the next years, focus on the implementation of traditional products, the development of new mechatronic systems and the production of braking systems that will enable Brembo to enter new market segments dedicated to sustainable mobility.

The goal set with regard to traditional products is to improve the range, both for BREMBO and BYBRE-branded solutions. For the former, the aim is to increasingly focus on top-level performance using new technological solutions, including those applied to racing, while also working on sporty and elegant design and on an ever-increasing range of customized products. The new off-road braking system and the new radial brake master cylinder currently under development are the latest components developed for the new Distincta® axial brake master cylinder and T-drive floating disc presented at EICMA 2024. New products are also being developed to enrich the BYBRE-branded range for the Indian and Chinese markets, focusing on reliability and robustness without ever compromising on performance.

The development of mechatronic products is clearly the most important field of innovation. Brembo is already testing some solutions equipped with mechatronic systems to verify their effectiveness and potential. The aim is to identify the best product configuration and then move on to the next development phase.

The search for new markets in the two-wheel field is focusing on sustainable mobility. A collaboration agreement was signed with a first customer for the development of several high-performance braking systems to be used on high-performance vehicles. Brembo will debut on this segment by the end of 2025 and a second braking system that will introduce new production materials and technologies is already under development.

As regards methodology, a first digital project is underway: it aims at a 25% reduction in the design times of the main motorbike products by automating some design phases. This methodology will be extended to all main motorbike products — from calipers, to discs, master cylinders and complete braking systems — within the next two years.

RACING

2024 saw the introduction for on-track use of a new carbon material called HULK (Happy Until Last Kilometres), which ensures significant improvements compared to its Formula 1 predecessor. This material was also used by Max Verstappen, among other drivers, in his bid for a fourth world title, and represents the starting point for 2026, when new Formula 1 regulations will be introduced.

The main changes will include the wider use of carbon materials characterized by very low wear and tear, and therefore by reduced particulate emissions. Getting ready for 2026 will require significant developments as regulations will be reset and braking systems will be completely revolutionized. It is important to point out that in 2026 Formula 1 cars will be allowed to mount an innovative brake caliper with 3 fixing systems and 4 pads, according to a Brembo patent already applied in the last 2 years to high performance vehicles also used on the track.

The development of carbon-ceramic material continued throughout the year in the automotive sector and, first and foremost, in the motorbike sector, with the on-track approval of a new material that will also be used on road vehicles. This Division draws particular attention to the continuous improvement of knowledge of vehicle and motorbike dynamics.

Several examples in the past showed how it had been possible to manufacture products by immediately focusing on the impact they would have on vehicle dynamics.

Two recent examples involved Formula E and LMH cars in 2023: it was the case of Brembo's brake-by-wire systems, which, in coordination with the vehicle's control unit, manage the brakes on the car axle, using electric motors for regenerative braking. Developed by the Performance Division, the brake-by-wire systems include an electronic control unit with a control software developed by Brembo, a hydraulic actuator driven by an electric motor, a safety device that connects the braking system directly to the driver, and a series of sensors required to set control strategies and monitor their functionality over time.

Brembo is the sole supplier of this component for the third-generation Formula E single-seaters and for a top team competing in the WEC.

A better understanding of vehicle dynamics and the development of expertise in controlled electronic systems are Brembo's goals for the new generation of products under development, namely smart systems and products with built-in control unit features that will be introduced starting with the new F1 championship in 2026 and, after 2027, in MotoGP and other sports applications.

These products will be developed taking into account the simulation methodologies already mastered, such as CFD calculation and mechanical and thermal calculations of the complete braking system, as well as the product validation methodologies that have been evolving in recent years. More and more importance will be attached to the value of the data collected directly from Brembo's test benches and from the cars that fit its brakes.

The analysis of data to understand physical phenomena will be integrated for statistical purposes with new analyses that will also use AI, with the aim of improving the final product. New competencies, virtual and smart sensing, machine learning, and the strong scientific contribution by Milan Polytechnic and other research centres will form the basis for further developments over the next five years.

FRICTION

In the field of friction materials, R&D is undergoing a transformative shift driven by the increasing use of AI. Artificial intelligence enables to more efficiently analyse large amounts of data, identify hidden patterns, and more accurately predict outcomes. This reduces development time and costs, while simultaneously improving product quality.

Brembo is working to exploit the potential of GEN AI to generate new formulations that meet customers' increasingly stringent performance requirements for brake pad friction materials. This will lead to a significant reduction in time-to-market, offering Brembo a considerable competitive advantage in developing more suitable materials.

The knowledge gained about the characteristics of friction materials allows Brembo to map tribological properties and apply these competencies to more complex systems such as the Electric Parking Brake and Sensify®. In addition, the expertise acquired in the passenger car sector can be extended to light and heavy commercial vehicles.

Synergy with the other Global Business Units is constantly aimed at studying emissions, in line with Euro 7 standards, and their quality. Research also focuses on discovering and using new eco-friendly raw materials and processes to ensure a reduced environmental impact.

The enhancement of BRGP (JV between Brembo and Gold Phoenix) in the R&D field represents a fundamental step in our innovation strategy. This project aims to develop new solutions that keep Brembo at the forefront of its industry. BRGP not only improves Brembo's production capabilities, but also allows it to explore new market opportunities and respond more quickly and effectively to its customers' needs.

CAR AND COMMERCIAL VEHICLE SYSTEMS

The Group's three guiding principles — low emissions, high performance and best driving experience — are also pursued when developing products in the Car and Commercial Vehicle Systems area.

Brembo continues to improve products and processes by focusing on reducing mass, optimising performance, enhancing style and using sustainable materials.

The low-emission range aims to reduce fuel consumption and emissions through lightweight and efficient braking systems, while also ensuring compliance with new regulations such as Euro 7.

Brembo uses virtualization and AI techniques to increase its simulation capacity so as to improve the efficiency and comfort of the entire braking system. An example of this is the new driving simulator, which, using vehicle dynamics models shared by customers, becomes an integral part of development.

Sensify™, Brembo's pioneering braking system, perfectly embodies these priorities. This ecosystem combines artificial intelligence, software and sensors to manage the braking of each wheel independently.

In keeping with Brembo's strategic priorities, the development and launch phases of Sensify™ are fully underway for both the Group's Passenger Car clients and new players that have entered the electric vehicles market. The product is currently being extended to the Light Commercial Vehicle segment thanks to an EU-financed project.

INNOVATION

Brembo's R&D department is experiencing a phase of great innovation and expansion following its globalization activities. Thanks to an ever-increasing synergy between the advanced technology centres in China and the United States and the HQ in Stezzano, Brembo's innovation can leverage on world-top innovation ecosystems and relations. Over the past year, this has also been made possible by the opening of the Coding Hub in California, which enables the development of software, data science, and AI projects, allowing Brembo to develop new solutions that meet current market demands. This new facility complements the Brembo Inspiration Lab in Sunnyvale, California, and propels Brembo further into its vision: Turning Energy into Inspiration.

At the Advanced Technology Center in Sunnyvale, the possibility of collaborating with Spoke Safety has emerged, enhancing skills and V2V/V2X solutions developments.

In China, there are increasing collaborations with universities, public research centres and data centres regarding the future of electric and automated vehicles for new mobility solutions.

Testing activities are also evolving with the use of advanced simulations for validation and simulators that can speed up the validation process by simulating conditions that would be difficult to reproduce in reality without significant efforts and time-consuming processes. This approach not only improves the quality of the final products, but also increases the efficiency of development processes.

EVER EVOLVING INNOVATION.

Our innate instinct to innovate points its gaze to tomorrow, anticipating the future. Two tangible examples are the Brembo Inspiration Lab in California, which has been refining our Data Science and generative AI skills since 2021, and the Brembo Coding Hub, a software centre designed to enable an increasingly comprehensive integration of advanced electronic solutions into braking systems.

2.3 INVESTOR INFORMATION

2.3.1 PLANS FOR THE BUY-BACK OF OWN SHARES

The General Shareholders' Meeting held on 23 April 2024 passed a new plan for the buy-back of own shares with the following objectives:

- undertaking any investments, directly or through intermediaries, including aimed at containing abnormal movements in stock prices, stabilising stock trading and prices, supporting the liquidity of the Company's stock on the market, so as to foster the regular conduct of trading beyond normal fluctuations related to market performance, without prejudice in any case to compliance with applicable statutory provisions;
- carrying out, in accordance with the Company's strategic guidelines, share capital transactions or other transactions which make it necessary or appropriate to swap or transfer share packages through exchange, contribution, or any other methods;
- buying back own shares as a medium-/long-term investment.

The plan envisages that the Board of Directors may purchase, in one or more tranches, up to a maximum of 8,000,000 ordinary shares, for a minimum price not lower than the closing price of the shares during the trading session on the day before each transaction is undertaken, reduced by 10%, and for a maximum price not higher than the closing price of the shares during the trading session on the day before each transaction is undertaken, increased by 10%.

The authorization is requested for a period of 18 months from the date of the resolution by the General Shareholders' Meeting and for a maximum purchasing amount of €144,000,000, which is adequately covered by the available net reserves recognized in the balance sheet.

In the year, Brembo bought back 4,387,303 ordinary own shares (€57,456 thousand), which, together with the 10,664,557 ordinary own shares already held, bring total ordinary own shares at 15,051,860.

2.3.2 INFORMATION ABOUT THE BREMBO N.V. DIVIDEND PROPOSAL

To conclude the description of the performance of the Brembo Group for the year ended 31 December 2024, based also on the examination of our Report concerning the Consolidated Financial Statements of the Brembo Group and the separate Financial Statements of Brembo N.V., in which we outlined the guidelines and operations, we submit for the Shareholders' approval our proposal for distributing Brembo N.V.'s net income amounting to €163,751,872.04, as follows:

- to the Shareholders, a gross ordinary dividend of €0.30 per ordinary share outstanding, excluding own shares (payment as of 21 May 2025, ex-coupon date 19 May 2025, and record date 20 may 2025);
- the remaining amount carried forward.

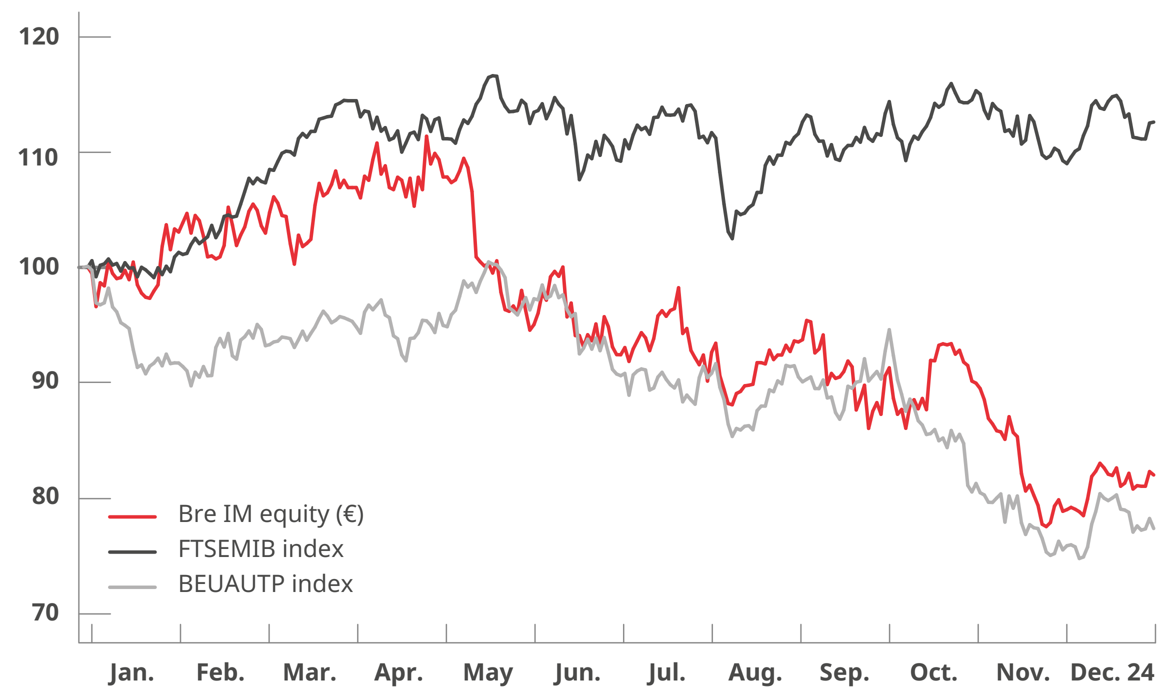
2.3.3 BREMBO N.V. STOCK PERFORMANCE

Brembo's stock closed 2024 at €9.09, down 18.1% compared to year-start, reaching its high for the period on 24 April (€12.37) and its low on 20 November (€8.59). The European Automotive Components Index (BBG EMEA Automobiles Parts) closed the year with a decline of 20.1%, while the FTSE MIB index rose by 12.64%.

An overview of stock performance of Brembo N.V. is given below, compared with that of the previous year:

(euro thousand)	31.12.2024	31.12.2023
Issued share capital (euro)	7,007,202	34,727,914
No. of ordinary shares	333,922,250	333,922,250
Equity (excluding net income for the period) (euro)	806,820,586	746,818,305
Net income for the period (euro)	163,751,872	139,265,254
Trading price (euro)		
Low	*8.59*	*10.02*
High	*12.37*	*14.92*
Period-end	9.09	11.10
Market capitalization (euro million)		
Low	*2,868*	*3,346*
High	*4,131*	*4,982*
Period-end	3,035	3,707
Gross dividend per share	0.30 (*)	0.30

(*) To be approved by the Shareholders' Meeting convened on 29 April 2025.



Further information and updates regarding stock performance and recent corporate information are provided on Brembo's website: **Investors | Brembo - Official Website.**

2.4 GROUP FINANCIAL REVIEW

2.4.1 MACROECONOMIC SCENARIO

According to the most recent estimates from S&P Global Market Intelligence (January 2025), global GDP growth has been predicted to reach 2.7% in 2024, slightly down from 2.9% in 2023.

The global economy remains resilient, as inflation continues to ease, falling from 5.7% in 2023 to 4.5% in 2024, and prompting a gradual shift toward looser monetary policies. Lower inflation is boosting real household income growth and spending, although consumer confidence in many countries has yet to recover to pre-pandemic levels. Despite the significant decline in headline inflation, service price inflation remains elevated. Meanwhile, the labor market pressures continue to ease, though unemployment generally remains at or near historical lows.

Low inflation, steady employment growth and less restrictive monetary policy will help to support demand, despite mild headwinds from necessary fiscal tightening in several countries.

Substantial uncertainty remains due to geopolitical matters. An escalation of conflicts in the Middle East could disrupt oil supplies from the region adding more pressure already heightened by the ongoing Ukraine-Russia conflict. Furthermore, trade policy uncertainty has surged, driven by the proliferation of import-restrictive measures across major economies and the potential for new tariffs, particularly in the United States from the new Republican administration.

Considering the current state of the global economy and the related uncertainties, S&P expects GPD growth to decline to 2.5% in 2025.

At the regional level, the Eurozone closed 2024 with 0.7% GDP growth, up from 0.5% in 2023, and is forecast to steadily grow to 0.9% in 2025, driven by recovering domestic demand.

The improvement will be underpinned by easing financial conditions and favorable energy and commodity prices. The labour market remains tight, with persistent labour shortages in several sectors and historically low unemployment levels, which are slowing the normalization of wage growth. Furthermore, real disposable incomes are expected to support consumption as inflation moderates with S&P forecasting inflation will decline to 2.1% by 2025. Private investment will benefit from more accommodative financing conditions and public spending under the NGEU program. However, significant risks remain. An escalation of Middle Eastern conflicts could dampen external demand and reignite inflationary pressures. On the upside, a stronger use of accumulated household savings could strengthen private consumption. For what concern fiscal policy, key EU countries are making strides in reducing fiscal deficits, although more work remains to be done.

In the United States, GDP growth has been projected to be robust at 2.8% in 2024, down slightly from 2.9% in 2023, before slowing to 2.0% in 2025.

As immigration is expected to decline from recent peaks, labour demand cools, and households exhaust pandemic-era savings, consumption growth is likely to soften, though it will remain solid. Risks to growth are tilted to the downside, including stickier-than-expected services inflation that could delay monetary easing, surging oil prices linked to geopolitical tensions, heightened trade conflicts, or slower labor force growth. On the upside, productivity growth, potentially fueled by new advances in artificial intelligence, may continue to come in stronger than expected. Deregulation in key sectors of the economy could also provide a boost to growth.

In conclusion, economic growth in China reached the 5.0% target in 2024, down from 5.2% in 2023, with further gradual weakening expected in 2025.

The slowdown reflects structural challenges, including unfavorable demographics and lagging productivity growth. The real estate market is still one of the most affected, with property investment still declining weighing on growth, but at a slower pace. Industrial production has been robust, driven by high-tech industries as well as manufacturing investment supported by robust export demand. However, consumption growth remains subdued due to elevated precautionary savings. Differently from many other regions, inflation will remain very low. Monetary policy has become significantly supportive, with a series of rate cuts to support recovery and ensure adequate liquidity. Moreover, fiscal policy has also turned more expansionary in 2024 to finance priority projects. A tightening of global trade restrictions could curb Chinese industrial activity, but recent policy measures could boost confidence and consumption by more than expected.

2.4.2 GROUP ACTIVITIES AND REFERENCE MARKET

Brembo is the world leader and acknowledged innovator in the development of braking solutions for automotive vehicles. It currently operates in 18 countries on 4 continents, through its production and business sites, and employs over 15,000 people worldwide. Manufacturing plants are located in Italy, Poland (Częstochowa, Dąbrowa Górnicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Denmark (Svendborg), Spain (Barcelona), Mexico (Apodaca, Escobedo), Brazil (Betim), China (Nanjing, Langfang, Jiaxing, Jinan), India (Pune, Chennai), the USA (Homer) and Thailand (Rayong). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo), the USA (Huntersville), Russia (Moscow), France (Paris) and Australia (Melbourne) carry out distribution and sales activities, whereas the Group's reinsurance company is based in Switzerland (Zurich). Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles and racing cars and motorbikes. Constant focus on innovation, as well as technological and process development — factors that have always been fundamental to Brembo's philosophy — have earned the Group a strong international leadership position in the research, design and production of high performance braking systems for a wide range of road and racing vehicles. Brembo operates in both the original equipment market and the aftermarket. Brembo's range of products for car and commercial vehicle applications includes brake discs, brake calipers, the side-wheel module and, increasingly often, the complete braking system, including integrated engineering services. All of these back the development of new models produced by vehicle manufacturers. In addition to brake discs and brake calipers, motorbike manufacturers are also offered brake master cylinders, light-alloy wheels, brake hoses and complete braking systems. In the car aftermarket, Brembo offers in particular brake discs, in addition to pads, drums, brake shoes, drum-brake kits and hydraulic components: a vast and reliable range of products allows the Company to meet the needs of nearly all European vehicles.

After several years of consistent recovery following the pandemic, global production of passenger cars and light commercial vehicles up to 6 tonnes slightly declined in 2024, contracting by 1% to 89.4 million units. This reduction reflects the complex dynamics currently shaping the automotive industry, where manufacturers are focusing on managing production and inventories amid volatile launch schedules and regional demand changes, including slowing growth in some areas and uncertainty around BEV (Battery Electric Vehicles) adoption. The momentum of the BEV market remains a concern, especially with the removal of EV subsidies (e.g., Germany) and the introduction of trade tariffs. Regional disparities in EV adoption persist, with some markets experiencing slower progress, and others pushing for faster transitions. Additionally, elevated vehicle prices and persistently high interest rates continue to exert pressure on near-term demand. Projections indicate that global production output will remain flat in 2025.

Regionally, the European automotive market faced significant challenges in 2024, recording a decline of 5%. Consumer confidence was shaken by ongoing global uncertainties and a lack of clarity surrounding the transition to electrification. This downturn reflects a realignment of supply and demand following a period of recovery fuelled by the sales backlog and inventory replenishment. 2025 will be a key year in the race to electrification due to the CO_2 targets introduced by the European Union. LV production is forecasted to underperform in 2025 compared to 2024.

In North America as well, the market closed 2024 with a negative sign, -1%. This adjustment was necessary to align supply with a steadily slowing demand, while addressing elevated inventory levels. The downward trend is expected to continue throughout 2025. Similarly, vehicle affordability issues remain prevalent, with persistently high interest rates, prevailing tight credit conditions and vehicle prices not declining quickly enough to provide much relief to consumers intending to buy a new car.

In China, LV production grew by 4% in 2024. The central government's economic stimulus plan, launched in September, played a key role in supporting growth, showing a robust response to current pressures. Passenger vehicle sales and production increased, driven largely by strong demand for new energy vehicle (NEV), particularly plug-in hybrid electric vehicles (PHEVs). However, export growth slowed, hindered by trade barriers. Looking ahead, the light vehicle industrial output in China should remain stable in 2025.

Moving to Medium and Heavy commercial vehicles (trucks and buses over 6 tons), after the 2023 recovery, worldwide production decreased by 6% in 2024. Brembo's core market, Europe, saw an even steeper contraction of 22%. This decline was attributable to the region's weak economic growth, particularly in Central and Western Europe, which dampened demand for heavy trucks in the second half of 2024.

From a registration perspective, global passenger car sales increased by 3% in 2024 compared to 2023. At regional level, Europe recorded a +1% growth, North America declined slightly by 1% and China grew by 7%.

In the commercial vehicle segment, worldwide registrations grew by 2% in 2024. Europe showed a similar increase of 3%, North America achieved a stronger growth of 5%, whereas China declined by 3%.

As regards the motorbike industry (two/three wheelers above 50cc), European registrations ended 2024 with a 11% increase. Considering the engine size, motorbikes above 500cc performed positively with a 11% increase in 2024. In the United States, overall registrations, including also ATVs (All Terrain Vehicles), decreased by 4% in 2024; motorbikes alone also performed negatively by 4%. In 2024, the Indian market increased by 15% whereas the Japanese market declined by 26%.

Regarding the aftermarket, the global UIO (units in operation) are forecast to reach 1.6 billion in 2024, representing a 2% increase compared to 2023. All regions are expected to show positive UIO growth compared to 2023: Europe (+1%), China (+4%), North America (+1%), South America (+1%), South Asia (+4%), and Japan/Korea (+1%).

In the racing sector, where Brembo has maintained undisputed supremacy for years, the Group operates through three leading brands: Brembo Racing, braking systems for race cars and motorbikes; AP Racing, braking systems and clutches for race cars; Marchesini, magnesium and aluminium wheels for racing motorbikes.

In 2024, Brembo's consolidated net sales amounted to €3,840,643 thousand, stable compared to €3,849,202 thousand in 2023.

Note Sources of LV and M&H production and sales data: the third-party S&P Global Mobility (January 2025) and Brembo in-house marketing analyses. Sources of motorbike data: third-party entities and Brembo in-house marketing analyses.

The following tables show net sales at 31 December 2024, broken down by geographical area and application.

Geographical area

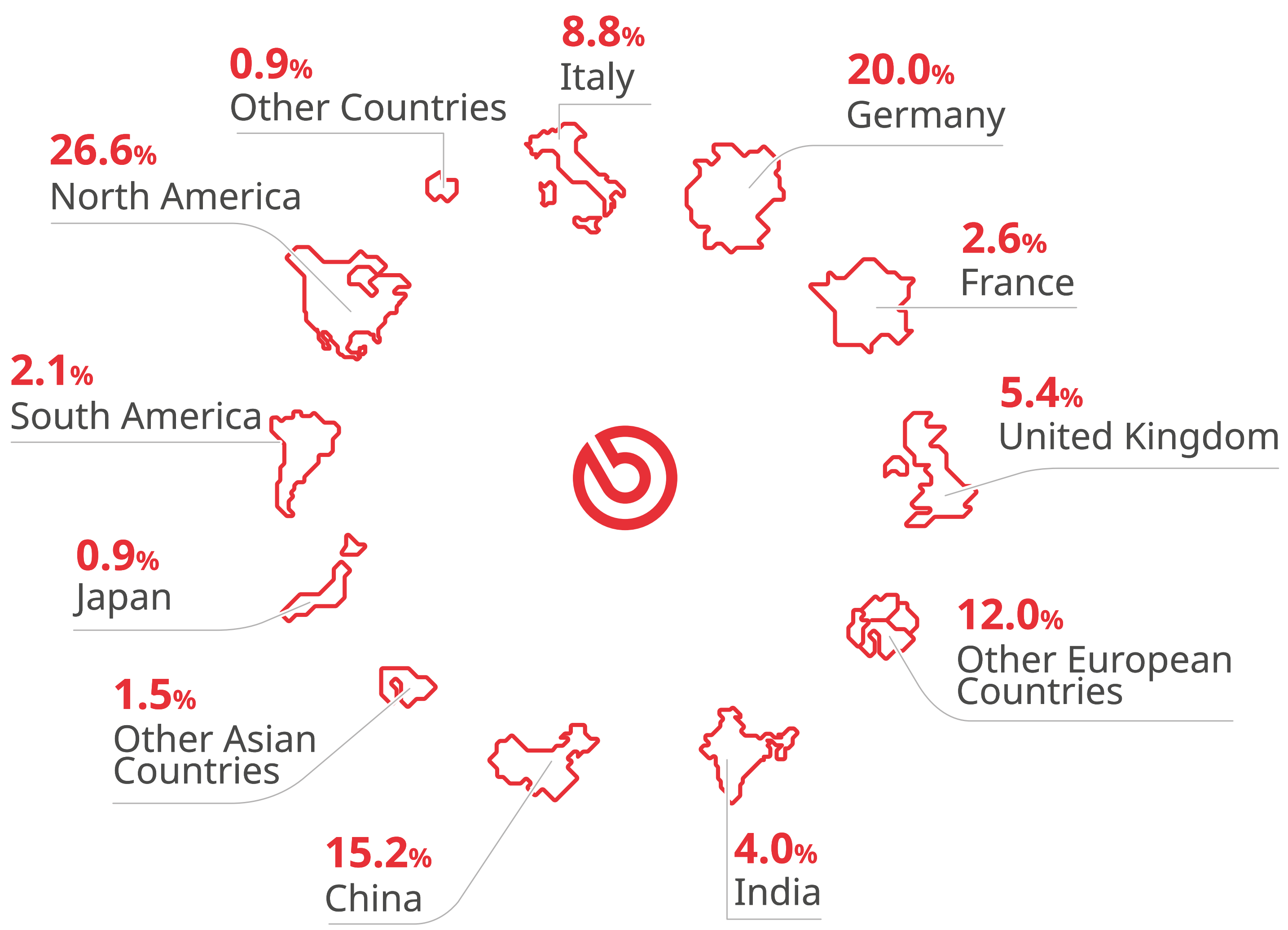
(euro thousand)	31.12.2024	%	31.12.2023	%	Change	%
Italy	336,268	8.8%	359,463	9.3%	(23,195)	-6.5%
Germany	768,385	20.0%	769,764	20.0%	(1,379)	-0.2%
France	101,003	2.6%	103,104	2.7%	(2,101)	-2.0%
United Kingdom	207,021	5.4%	182,733	4.7%	24,288	13.3%
Other European countries	459,163	12.0%	498,418	12.9%	(39,255)	-7.9%
India	155,032	4.0%	139,835	3.6%	15,197	10.9%
China	585,421	15.2%	543,733	14.1%	41,688	7.7%
Japan	35,688	0.9%	25,884	0.7%	9,804	37.9%
Other Asian Countries	58,208	1.5%	49,174	1.3%	9,034	18.4%
South America (Argentina and Brazil)	79,573	2.1%	80,954	2.1%	(1,381)	-1.7%
North America (USA, Mexico & Canada)	1,021,208	26.6%	1,062,663	27.7%	(41,455)	-3.9%
Other Countries	33,673	0.9%	33,477	0.9%	196	0.6%
Total	**3,840,643**	**100.0%**	**3,849,202**	**100.0%**	**(8,559)**	**-0.2%**

Following an in-depth analysis, data at 31 December 2023 have been restated.

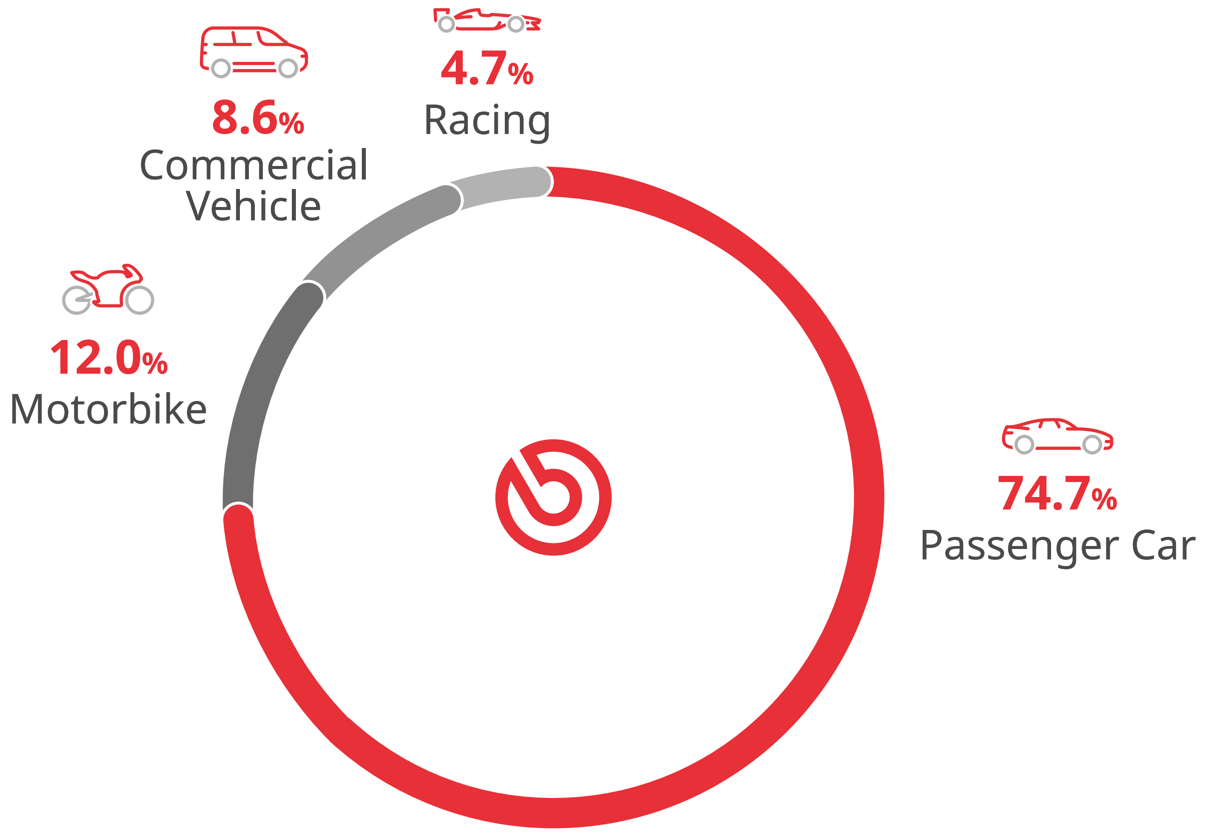
Application

(euro thousand)	31.12.2024	%	31.12.2023	%	Change	%
Passenger car	2,869,675	74.7%	2,829,736	73.5%	39,939	1.4%
Motorbike	459,015	12.0%	457,353	11.9%	1,662	0.4%
Commercial Vehicle	331,980	8.6%	377,418	9.8%	(45,438)	-12.0%
Racing	179,473	4.7%	183,852	4.8%	(4,379)	-2.4%
Miscellaneous	500	0.0%	843	0.0%	(343)	-40.7%
Total	**3,840,643**	**100.0%**	**3,849,202**	**100.0%**	**(8,559)**	**-0.2%**

NET SALES BREAKDOWN BY GEOGRAPHICAL AREA
(%)



NET SALES BREAKDOWN BY APPLICATION
(%)



2.4.3 BREMBO'S CONSOLIDATED RESULT

Consolidated Statement of Income

(euro thousand)	31.12.2024	31.12.2023	Change	%
Revenue from contracts with customers	**3,840,643**	**3,849,202**	**(8,559)**	**-0.2%**
Cost of sales, operating costs and other net charges/income (*)	(2,466,293)	(2,518,848)	52,555	-2.1%
Income (expense) from non-financial investments	16,253	17,044	(791)	-4.6%
Personnel expenses	(729,547)	(681,620)	(47,927)	7.0%
GROSS OPERATING INCOME	**661,056**	**665,778**	**(4,722)**	**-0.7%**
% of revenue from contracts with customers	*17.2%*	*17.3%*		
Depreciation, amortization and impairment losses	(267,723)	(251,706)	(16,017)	6.4%
NET OPERATING INCOME	**393,333**	**414,072**	**(20,739)**	**-5.0%**
% of revenue from contracts with customers	*10.2%*	*10.8%*		
Net interest income (expense) and Interest income (expense) from investments	(27,442)	(22,072)	(5,370)	24.3%
RESULT BEFORE TAXES	**365,891**	**392,000**	**(26,109)**	**-6.7%**
% of revenue from contracts with customers	*9.5%*	*10.2%*		
Taxes	(99,570)	(84,837)	(14,733)	17.4%
Result from discontinued operations	0	136	(136)	-100.0%
NET RESULT FOR THE PERIOD	**266,321**	**307,299**	**(40,978)**	**-13.3%**
% of revenue from contracts with customers	*6.9%*	*8.0%*		
Minority interests	(3,718)	(2,260)	(1,458)	64.5%
GROUP NET RESULT	**262,603**	**305,039**	**(42,436)**	**-13.9%**
% of revenue from contracts with customers	*6.8%*	*7.9%*		
BASIC/DILUTED EARNINGS PER SHARE (euro)	**0.82**	**0.94**		

(*) The item is obtained by adding the following items of the Consolidated Statement of Income: "Other revenues and income", "Costs for capitalized internal works", "Raw materials, consumables and goods" and "Other operating costs"

Brembo's **net sales** amounted to €3,840,643 thousand in 2024, stable compared to €3,849,202 thousand in 2023.

The car applications sector, which accounted for 74.7% of the Group's sales, closed 2024 with a +1.4% increase compared to the previous year. Applications for commercial vehicles closed at -12.0% and racing applications at -2.4%, whereas motorbike applications increased by 0.4%.
At geographical level, and with specific reference to Europe, Germany reported quite stable results compared to 2023 (-0.2%). Almost all the other European countries also reported negative results, with France down by 2.0%, Italy by 6.5% whereas the United Kingdom increased by 13.3%. Sales also declined by 3.9% in North America and by 1.7% in South America. In the Far East, China increased by 7.7% compared to 2023. India and Japan grew by 10.9% and 37.9%, respectively.

In 2024, the **cost of sales and other net operating costs** amounted to €2,466,293 thousand, with a 64.2% ratio to sales, down compared to 65.4% for the previous year. Within this item, costs for capitalized internal works included in intangible assets amounted to €31,497 thousand compared to €28,601 thousand for 2023.

Income (expense) from non-financial investments amounted to €16,253 thousand and was mainly attributable to the effects of valuing the investment in the BSCCB Group using the equity method (€17,044 thousand in 2023).

Personnel expenses for 2024 amounted to €729,547 thousand, with a 19.0% ratio to sales, increasing compared to the previous year (17.7%). At 31 December 2024, people numbered 15,461 (15,653 at 31 December 2023), including agency workers amounting to 1,113 (1,999 at 31 December 2023).

Gross operating income for 2024 was €661,056 thousand compared to €665,778 thousand in the previous year, with a 17.2% ratio to sales (17.3% in 2023).

Net operating income amounted to €393,333 thousand (10.2% of sales) compared to €414,072 thousand (10.8% of sales) in 2023, after depreciation, amortization and impairment losses of property, plant and equipment and intangible assets of €267,723 thousand, compared to depreciation, amortization and impairment losses amounting to €251,706 thousand in 2023.

Net interest expense amounted to €38,573 thousand (€34,328 thousand in 2023) and consisted of net exchange losses of €12,508 thousand (net exchange losses of €13,951 thousand in 2023) and other net interest expense of €26,065 thousand (€20,377 thousand in 2023).

Net interest income from investments amounted to €11,131 thousand (€12,256 thousand in 2023) and was chiefly attributable to the dividends received by investees not included in the consolidation area and the effects of valuing investments in associates using the equity method.

Result before taxes was a profit of €365,891 thousand, down 6.7% compared to €392,000 thousand for the previous year. Estimated taxation amounted to €99,570 thousand, with a tax rate of 27.2% (21.6% in 2023).

The **Group's net result** was €262,603 thousand (6.8% of sales), down 13.9% compared to €305,039 thousand for the previous year (7.9% of sales).

Statement of Financial Position

(euro thousand)	31.12.2024	31.12.2023	Change
Property, plant and equipment	1,774,996	1,522,879	252,117
Intangible assets	311,425	300,732	10,693
Financial assets/liabilities	72,908	354,518	(281,610)
Other receivables and non-current liabilities	159,419	135,517	23,902
Fixed capital	**2,318,748**	**2,313,646**	**5,102**
			0.2%
Inventories	638,310	621,697	16,613
Trade receivables	631,395	604,877	26,518
Other receivables and current assets	137,676	94,539	43,137
Current liabilities	(956,216)	(979,374)	23,158
Provisions/deferred taxes	(51,005)	(64,774)	13,769
Hedging assets/liabilities	18,618	0	18,618
Net working capital	**418,778**	**276,965**	**141,813**
NET INVESTED CAPITAL	**2,737,526**	**2,590,611**	**146,915**
			5.7%
Equity	**2,329,817**	**2,099,419**	**230,398**
Employees' leaving entitlement and other provisions for personnel	**47,356**	**36,445**	**10,911**
Medium/long-term net financial debt	715,274	628,983	86,291
Short-term net financial debt	(354,921)	(174,215)	(180,706)
Net Financial debt	**360,353**	**454,768**	**(94,415)**
			(20.8%)
Net financial debt from discontinued operations	**0**	**(21)**	**21**
COVERAGE	**2,737,526**	**2,590,611**	**146,915**
			5.7%

The Group's Statement of Financial Position reflects reclassifications of consolidated accounting statements, as described in the following pages. In detail:

- "Financial assets/liabilities" include the following items: "Investments" and "Other financial assets";
- the item "Other receivables and non-current liabilities" is made up of the following items: "Receivables and other non-current assets", "Deferred tax assets" and "Other non-current liabilities";
- "Net financial debt" includes current and non-current payables to banks and other financial liabilities (including lease liabilities), net of cash and cash equivalents and current financial assets.

Net Invested Capital at 31 December 2024 amounted to €2,737,526 thousand, up by €146,915 thousand compared to €2,590,611 thousand at 31 December 2023.

Net financial debt for 2024 amounted to €360,353 thousand compared to €454,768 thousand at 31 December 2023. Net financial debt decreased by €94,415 thousand in the year, mainly due to the combined effect of the different factors.

- the positive effect of gross operating income of €661,056 thousand, with a €119,181 thousand increase in working capital;
- net investments totalling €408,242 thousand, of which €361,152 thousand in property, plant and equipment and €47,090 thousand in intangible assets. The most significant investments were concentrated in Poland (30.6%), North America (29.6%) and Italy (21.5%). With regard to investments in intangible assets, development costs amounted to €31,465 thousand (7.7% of the Group's total net investments);
- increases in leased assets for €89,306 thousand.
- payment of taxes totalling €127,835 thousand;
- the Parent's payment of the approved dividends in the amount of €95,661 thousand;
- dividends received by the associates totalling €15,000 thousand and by investees not included in the consolidation area amounting to €11,048 thousand.
- the placement of 55,800,000 Pirelli ordinary shares to institutional investors amounted to € 282,906 thousand.

The Explanatory Notes to the Consolidated Financial Statements provide detailed information on the financial position and its assets and liabilities items.

Statement of Cash Flows

(euro thousand)	31.12.2024	31.12.2023
NET FINANCIAL POSITION AT BEGINNING OF PERIOD (*)	**(454,768)**	**(502,044)**
Net operating income	**393,333**	**414,072**
Depreciation, amortization and impairment losses	267,723	251,706
Gross operating income	**661,056**	**665,778**
Investments in property, plant and equipment	(363,964)	(369,084)
Investments in intangible assets	(47,090)	(43,733)
Increases in leased assets	(89,306)	(20,731)
Investments in financial assets	(4,551)	(3,338)
Disposal of shareholdings	282,906	0
Disposal of tangible and intangible assets	2,812	658
Net investments	**(219,193)**	**(436,228)**
Change in inventories	(28,195)	(35,503)
Change in trade receivables	(36,009)	(11,794)
Change in trade payables	(45,195)	88,937
Change in other liabilities	17,173	32,836
Change in receivables from others and other assets	(44,877)	(4,551)
Translation adjustment reserve not allocated to specific items	17,922	(7,001)
Change in working capital	**(119,181)**	**62,924**
Change in provisions for employee benefits and other provisions	27,357	13,975
Operating cash flow	**350,039**	**306,449**
Interest income and expense	(26,226)	(21,583)
Result from discontinued operations	0	136
Current taxes paid	(127,835)	(86,640)
Dividend paid in the period to minority shareholders	(960)	(2,122)
Buy-back from own shares	0	(65,620)
Interest (income)/expense from investments , net of dividends received	(1,253)	(7,004)
Dividends paid in the period	(95,661)	(90,754)
Net cash flow	**98,104**	**32,862**
Effect of translation differences on net financial positions	**(3,689)**	**14,414**
NET FINANCIAL POSITION AT THE END OF PERIOD (*)	**(360,353)**	**(454,768)**

(*) See Note 13 of the Explanatory Notes to the Condensed Financial Statements for a reconcilition with financial statement data.

2.4.4 DEFINITION OF THE ALTERNATIVE PERFORMANCE MEASURES

Brembo's Directors have identified some alternative performance *measures* ("APMs") in the previous paragraphs, in order to provide a better understanding of the Brembo Group's operating and financial performance. These indicators are also tools that help the Directors to identify operating trends and take decisions about investments, allocation of resources and other operating decisions.

The following points enable a correct interpretation of the above-mentioned APMs:

1. these indicators are constructed starting from the Group's historical data only and are not indicative of the Group's future performance;
2. the APMs are not laid down by the IFRS and are not subject to audit, although they are taken from the Group's Consolidated Financial Statements;
3. the APMs must not be considered to replace the indicators provided for by the IFRS;
4. the APMs are to be read together with the Group's financial information, taken from the Brembo Group's Consolidated Financial Statements;
5. the definitions used by the Group may not match those adopted by other companies/groups, therefore they are not comparable, since they are not derived from reference accounting standards;
6. the APMs used by the Group are applied on an ongoing basis and are consistently defined and represented for all the periods for which financial information is included in these Financial Statements;
7. Management believes the APMs indicated below to be a useful measure providing insight into the matters explained below to allow a better understanding for the financial performance of the Group.

The APMs indicated below have been selected and represented in the Directors' Report on Operations since the Group deems that:

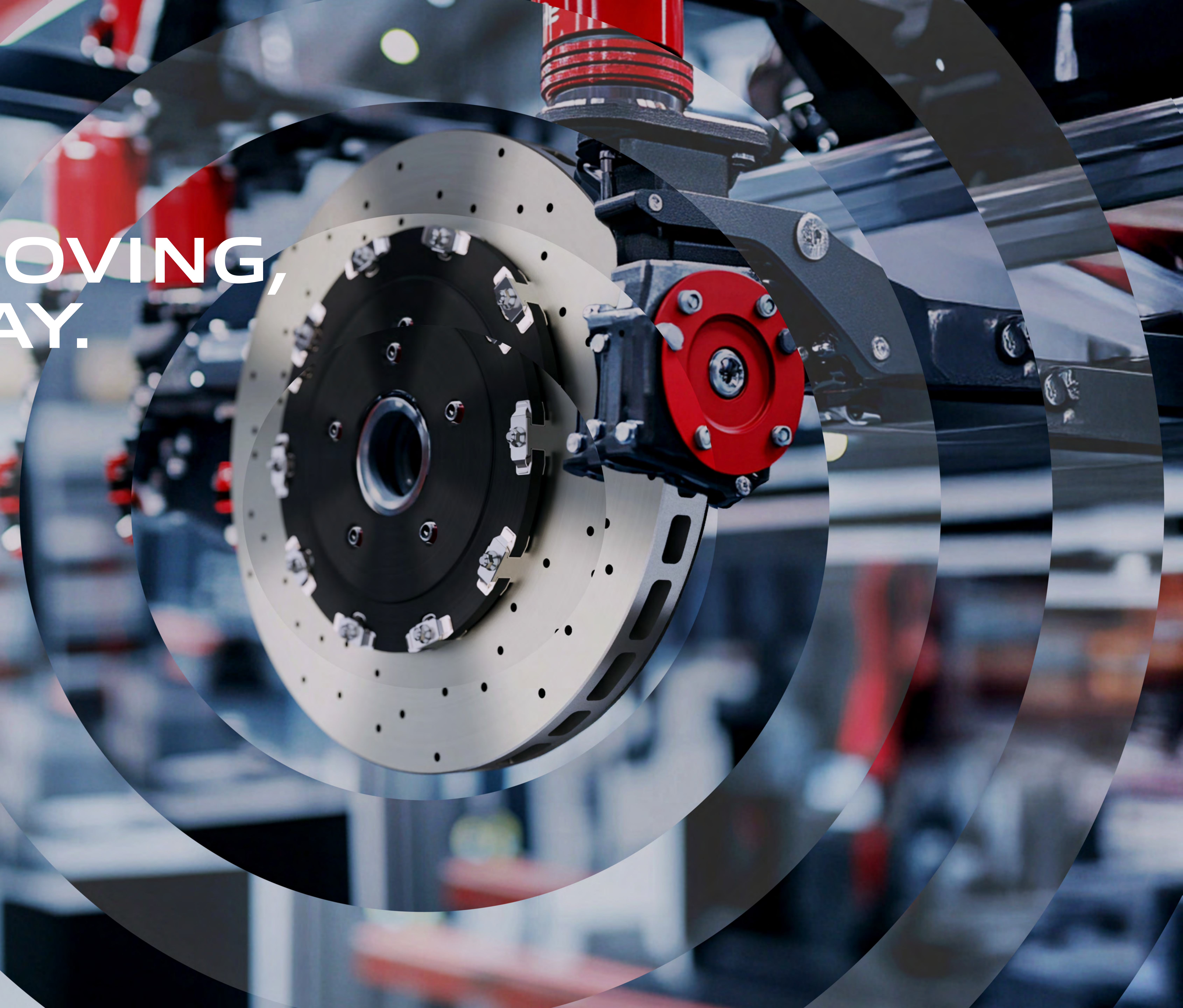
- Net Financial Debt, combined with other indicators such as Investments/Revenue from contracts with customers, Net Financial Debt/Equity, Net interest expense (less exchange gains or losses)/Revenue from contracts with customers and Net interest expense (less exchange gains or losses)/Net operating income, allow a better assessment of the overall level of debt, capital solidity and debt payment capacity;
- Fixed Capital — and thus net investments in property, plant, equipment and intangible assets, calculated as the sum total of increases (net of decreases) of property, plant and equipment and intangible assets — Net Working Capital, and Net Invested Capital allow a better assessment of both the ability to meet short-term trade commitments through current trade assets, and the consistency between the structure of the use and that of the sources of financing over time;
- Gross Operating Income (EBITDA) and Net Operating Income (EBIT), combined with other relative profitability indicators, allow changes in operating performance to be illustrated and provide useful information on the Group's capacity to sustain debt; these indicators are also commonly used by analysts and investors in the sector to which the Group belongs to evaluate company performance.

2.4.5 BREMBO GROUP COMPANIES

The following figures were taken from the accounting situations at 31 December 2024 prepared by the companies in accordance with IAS/IFRS and approved by the respective Boards of Directors.

ALWAYS IMPROVING, DAY AFTER DAY.

Aware that we are recognized as a leader in the world of braking systems, we develop products and solutions that are a universal benchmark. A result achieved with the contribution of a continuous improvement program created to guide all our plants towards production excellence.



COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS

AP Racing Ltd.
Coventry (United Kingdom)

Activities: production and sale of braking systems and clutches for road and racing vehicles.

AP Racing is the market leader in the production of brakes and clutches for racing cars and motorbikes.
The company designs, assembles and sells cutting-edge, high-tech products throughout the world for the main F1, GT, Touring and Rally teams. It also produces and sells original equipment brakes and clutches for prestige car manufacturers.

Brembo Australia Pty Ltd.
Melbourne (Australia)

Activities: marketing activities.

Formed in 2024 and fully controlled by Brembo N.V., the company carries out marketing activities for the aftermarket only.

Brembo Czech S.r.o.
Ostrava-Hrabová (Czech Republic)

Activities: casting, production and sale of braking systems for cars.

The company was formed in 2009 and started its production activity in 2011. It carries out the casting, processing and assembly of brake calipers and other aluminium components and sale of braking systems for cars.

Brembo do Brasil Ltda.
Betim (Brazil)

Activities: production and sale of brake discs for the original equipment market.

The company is headquartered in Betim, Minas Gerais, and specializes in the manufacturing and sale of car brake discs in the South American OEM market.

AP Racing North America Corp.
Huntersville (USA)

Activities: technical and sales services on the US market.

Established in 2022 and wholly controlled by AP Racing Ltd., the company specializes in developing and simplifying communications between the parent and the US-based customers, throughout the different phases of project planning and management.

Brembo Brake India Pvt. Ltd.
Pune (India)

Activities: development, production and sale of braking systems for motorbikes.

The company is based in Pune, India, and was originally set up in 2006 as a joint venture held in equal stakes by Brembo N.V. and the Indian company Bosch Chassis Systems India Ltd. Since 2008, the company has been wholly owned by Brembo N.V.

Brembo Deutschland GmbH
Leinfelden-Echterdingen (Germany)

Activities: purchase and resale of vehicles, technical and sales services, as well as promotion of the sale of car brake discs.

The company, which is 100% owned by Brembo N.V., was formed in 2007. It specializes in buying cars for tests and encouraging and simplifying communications between Brembo and its German customers in the various phases of project planning and management. It also promotes the sale of brake discs for the car aftermarket only.

Brembo France S.a.s.
Paris (France)

Activities: promotion of the sale of car brake discs.

The company, established in 2024, promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.

Brembo Huilian (Langfang) Brake Systems Co. Ltd. Langfang (China)

Activities: casting, production and sale of brake discs for the original equipment market.

In 2016, Brembo N.V. acquired a 66% stake in Brembo Huilian (Langfang) Brake Systems Co. Ltd. (formerly Asimco Meilian Braking Systems (Langfang) Co. Ltd.), a Chinese company that owns a foundry and a plant for the manufacturing of cast-iron brake discs. This company supplies local car manufacturers, mainly including joint ventures among Chinese firms and European and U.S. top players. The remaining 34% of the share capital continued to be owned by the public company Langfang Assets Operation Co. Ltd., controlled by the Municipality of Langfang.

Brembo Japan Co. Ltd. Tokyo (Japan)

Activities: sale of braking systems for the racing sector and original equipment for cars.

Brembo Japan Co. Ltd. is Brembo's commercial company that handles the Japanese racing market. Through the Tokyo office, it provides primary technical support to the OEM customers in the area. It also renders services to the other Brembo Group companies operating in Japan.

Brembo (Nanjing) Automobile Components Co. Ltd. Nanjing (China)

Activities: casting, processing and assembly of braking systems for cars and commercial vehicles.

The company, which is 60% owned by Brembo N.V. and 40% owned by Brembo Brake India Pvt. Ltd., was set up in 2016 and carries out casting, processing and assembly of braking systems for cars and commercial vehicles.

Brembo North America Inc. Plymouth, Michigan (USA)

Activities: development, casting, production and sale of brake discs for car original equipment market and the aftermarket, and braking systems for cars, motorbikes and the racing sector.

Brembo North America Inc. is based in Homer, Michigan. It produces and sells OEM and aftermarket brake discs, as well as high-performance car braking systems. A Research and Development Centre has been operating at the facility in Plymouth (Michigan) since 2010 to develop and market new solutions in terms of materials and designs for the U.S. market.

Brembo Inspiration Lab Corp. Sunnyvale, California (USA)

Activities: strengthening expertise in software development, data science and artificial intelligence.

The company — Brembo's first centre of excellence — is based in the Silicon Valley (California, USA). It is an experimental lab mainly focused on strengthening the Company's expertise in software development, data science and artificial intelligence for the benefit of the development of Brembo's future braking solutions. The new centre of excellence will also be a point of reference for the technological and commercial development of Brembo's relationships with customers in the Silicon Valley.

Brembo México S.A. de C.V. Apodaca (Mexico)

Activities: casting, production and sale of braking systems for cars and commercial vehicles and car brake discs for original equipment and the aftermarket.

As a result of the merger with Brembo México Apodaca S.A. de C.V. in 2010, the company is now 51% owned by Brembo North America Inc. and 49% owned by Brembo N.V.

Brembo Nanjing Brake Systems Co. Ltd. Nanjing (China)

Activities: development, production and sale of OEM brake discs for cars.

The company, a joint venture between Brembo N.V. and the Chinese group Nanjing Automobile Corp., was formed in 2001. The Brembo Group acquired control over the company in 2008. In 2013, the Brembo Group acquired full control from the Chinese partner Donghua Automotive Industrial Co. Ltd.
In 2017, the merger of Brembo Nanjing Foundry Co. Ltd. into Brembo Nanjing Brake Systems Co. Ltd. Ltd. The transaction aimed at developing an integrated industrial hub, including foundry and manufacture of brake discs for the car OEM.

Brembo Poland Spolka Zo.o. Dąbrowa-Górnicza (Poland)

Activities: development, casting, production and sale of brake discs and braking systems for cars and commercial vehicles.

The company produces OEM braking systems for cars and commercial vehicles in the Częstochowa plant.
In the Dąbrowa-Górnicza plant, it has a foundry for the production of cast-iron discs destined for use in its own production plant or by other Group companies.
The Niepołomice plant processes steel disc hats to be assembled onto the light discs manufactured at the Group's plants located in China, in the United States, and in the Dąbrowa-Górnicza plant as well.

Brembo Poland Manufacturing Sp.zo.o.
Dąbrowa-Górnicza (Poland)

Activities: casting, production and sale of brake discs for cars and commercial vehicles

The company is fully owned by Brembo Poland Sp. Zo.o. and, once fully operational, it will focus on casting and processing activities on behalf of the its parent company.

Brembo Russia Llc.
Moscow (Russia)

Activities: promotion of the sale of car brake discs.

Founded in 2014, the Moscow-based company is wholly owned by Brembo N.V. It deals with promoting the sale of car brake discs for the aftermarket only.

Brembo Thailand Ltd.
Rayong (Thailand)

Activities: production and sale of braking systems for motorbikes.

The company will manufacture braking systems for motorcycle manufacturers in Thailand, starting with European and American producers. It is located in the motorcycle industry hub of the country, situated in the Rayong province, south of the capital Bangkok.

J.Juan S.A.U.
Barcelona (Spain)

Activities: development, production and sale of braking systems for motorbikes.

In November 2021, Brembo acquired the 100% stake in the J.Juan Group, a Spanish company specializing in the development and production of motorbike braking systems. Founded in 1965, J.Juan is based in Gavà (Barcelona) and has three plants in Spain and one in China, manufacturing especially brake hoses.
In 2022, the merger of the companies J.Juan Brake Systems S.A.U. and Montajes y Acabados S.L.U. into J.Juan S.A.U. was launched and completed, with accounting effects as of 1 January 2022.

Brembo Reinsurance AG
Zurich (Switzerland)

Activity: reinsurance company.

Incorporated in 2023 with headquarters in Zurich and fully owned by Brembo N.V., the company aims at improving the conditions and efficiency of the process of financing the Brembo Group's risks through access to the reinsurance market and the possibility of underwriting risks not adequately covered by the insurance market and that cannot be financed through a fund.

Brembo Scandinavia A.B.
Göteborg (Sweden)

Activities: promotion of the sale of car brake discs.

The company promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.

Corporación Upwards '98 S.A.
Zaragoza (Spain)

Activities: sale of brake discs and drums for cars, distribution of the brake shoe kits and pads.

The company, which is 68% owned by Brembo N.V., carries out sales activities exclusively for the aftermarket.

Jiaxing Ciju Control Systems Co. Ltd.
Jiaxing (China)

Activities: production and sale of braking systems for motorbikes.

On 4 November 2021, Brembo acquired the 100% stake in the J.Juan Group, a Spanish company specialising in the development and production of motorbike braking systems, to which Jiaxing Ciju Control Systems Co. Ltd. belongs.

La.Cam (Lavorazioni Camune) S.r.l.
Stezzano (Italy)

Activities: precision mechanical processing, lathe work, mechanical component production and similar activities, on its own account or on behalf of third parties.

The company was incorporated by Brembo N.V. in 2010. In the same year, it leased from an important Group's supplier two companies specialising in processing aluminium, steel and cast-iron pistons for brake calipers intended for use in the car, motorbike and industrial vehicle sectors, and in the production of other types of components, including small high-precision metallic parts and bridges for car brake calipers, as well as aluminium caliper supports for the motorbike sector, chiefly produced for the Brembo Group. In 2012, La.Cam. acquired the business units of both companies.

Qingdao Brembo Trading Co. Ltd.
Qingdao (China)

Activities: logistics, sale and marketing activities in the economic and technological development hub of Qingdao.

Formed in 2009 and fully controlled by Brembo N.V., the company carries out logistics, sale and marketing activities within the Qingdao technological hub for the aftermarket only.

SBS Friction A/S
Svendborg (Denmark)

Activities: development, production and sale of brake pads for motorbikes.

On 7 January 2021, Brembo acquired SBS Friction A/S, a Danish company based in Svendborg, Denmark, that develops and manufactures brake pads for motorbikes using particularly innovative and eco-friendly sintered organic materials. The investment is 60% held by Brembo N.V. and 40% by Brembo Brake India Pvt. Ltd.

COMPANIES VALUED USING THE EQUITY METHOD

Brembo SGL Carbon Ceramic Brakes S.p.A. Stezzano (Italy)

Activities: design, development, production and sale of carbon ceramic brake discs.

As a result of the joint venture agreements finalized in 2009 between Brembo and SGL Group, the company is 50% owned by Brembo S.p.A. and in turn controls 100% of the German company Brembo SGL Carbon Ceramic Brakes GmbH. Both companies carry out design, development, production and sale of braking systems in general, and particularly of OEM carbon ceramic brake discs for top-performance cars, as well as research and development activities concerning new materials and applications.

Petroceramics S.p.A. Stezzano (Italy)

Activities: research and development of innovative technologies for the production of technical and advanced ceramic materials, geomaterial processing and rock mass characterization.

Brembo N.V. acquired 20% of this company by subscribing a capital increase in 2006.

Shandong BRGP Friction Technology Co. Ltd. Jinan (China)

Activities: large-scale manufacturing of innovative aftermarket brake pads for the car and commercial vehicle segments.

On 25 July 2022, Brembo signed a 50/50 Joint Venture agreement with Shandong Gold Phoenix Co. Ltd., a Chinese company listed on Shanghai Stock Exchange, leader in designing, testing, manufacturing and marketing braking system and pads/friction material for the original equipment market and aftermarket. The agreement provides for the formation of the new company — Shandong BRGP Friction Technology Co. Ltd. — dedicated to the large-scale manufacturing of innovative aftermarket brake pads for the car and commercial vehicle segments.

Brembo SGL Carbon Ceramic Brakes GmbH Meitingen (Germany)

Activities: design, development, production and sale of carbon ceramic brake discs.

The company was formed in 2001. In 2009, in executing the joint venture agreement between Brembo and SGL Group, Brembo SGL Carbon Ceramic Brakes S.p.A. acquired 100% of the company.

Infibra Technologies S.r.l. Milan (Italy)

Activities: development, design, industrialization, manufacturing, installation and marketing of fibre optic sensors systems.

In 2020, Brembo acquired a 20% stake in Infibra Technologies S.r.l. for a consideration of €800 thousand. The company is specialized in the development, design, industrialization, manufacturing, installation and marketing of fibre optic sensors systems and photonic subsystems for sensing and communications. The agreement with the current shareholders envisages Brembo's right to exercise a call option on the remaining 80% interest in the second half of 2024.

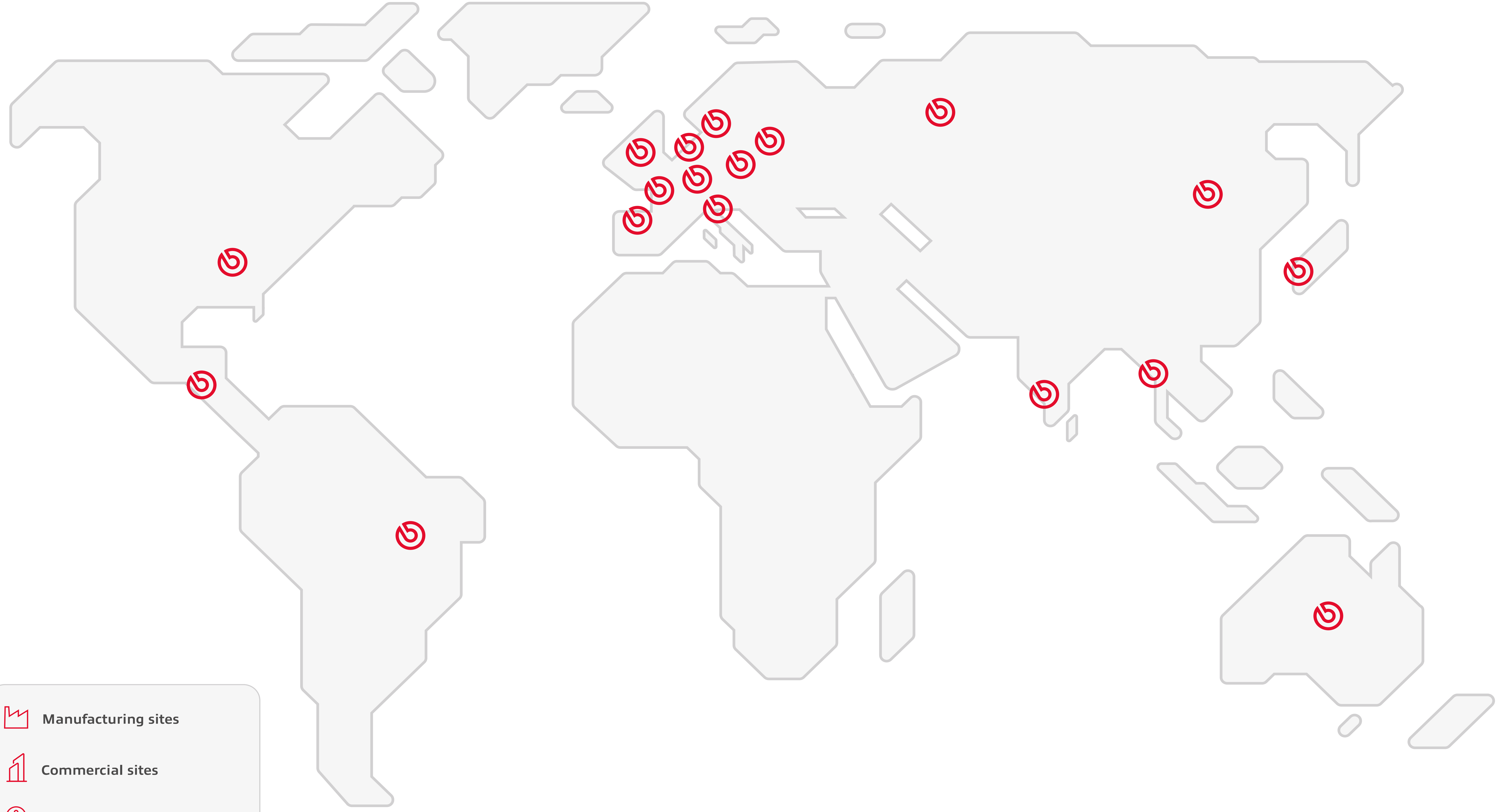
Here below is a summary of revenue from contract with customers, net result for the period and employees of each company, compared with the previous year.

		31.12.2024					31.12.2023				
		Revenue from contract with customers		Net result for the period			Revenue from contract with customers		Net result for the period		
	Local currency	Local currency	Euro	Local currency	Euro	Number of employees	Local currency	Euro	Local currency	Euro	Number of employees
Brembo N.V.	Eur	1,253,764	1,253,764	163,752	163,752	3,412	1,265,173	1,265,173	139,265	139,265	3,370
Companies consolidated on a line-by-line basis:											
AP Racing Ltd.	Gbp	69,223	81,767	6,236	7,366	181	64,548	74,202	5,306	6,099	167
AP Racing North America Corp.	Usd	0	0	25	23	2	0	0	19	18	2
Brembo Australia Pty. Ltd.	Aud	0	0	(14)	(8)	0					
Brembo Brake India Pvt. Ltd.	Inr	15,393,986	170,042	1,876,078	20,723	1,272	13,940,522	156,065	1,517,215	16,985	1,152
Brembo Czech S.R.O.	Czk	8,207,442	326,743	(721,520)	(28,724)	1,264	7,443,562	310,140	(595,282)	(24,803)	1,009
Brembo Deutschland GmbH	Eur	3,608	3,608	2,214	2,214	11	2,700	2,700	1,494	1,494	11
Brembo do Brasil Ltda.	Brl	448,304	76,938	33,063	5,674	231	421,795	78,087	39,201	7,257	212
Brembo France Sas	Eur	377	377	98	98	3					
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	Cny	634,873	81,538	69,079	8,872	421	598,717	78,171	42,281	5,520	464
Brembo Inspiration Lab. Corp.	Usd	0	0	215	199	21	0	0	136	126	9
Brembo Japan Co. Ltd.	Jpy	1,136,316	6,936	65,226	398	27	1,085,811	7,146	89,684	590	27
Brembo Mexico S.A. de C.V.	Usd	571,690	528,338	11,609	10,729	1,868	574,836	531,478	23,064	21,325	1,832
Brembo (Nanjing) Automobile Components Co. Ltd.	Cny	1,993,655	256,048	239,092	30,707	728	1,756,817	229,377	252,920	33,022	677
Brembo Nanjing Brake Systems Co. Ltd.	Cny	1,284,059	164,913	171,874	22,074	601	1,218,751	159,125	175,921	22,969	579
Brembo North America Inc.	Usd	441,797	408,294	23,431	21,654	719	465,786	430,654	40,789	37,713	697
Brembo Poland Manufacturing Sp.zo.o.	Pln	0	0	(6,982)	(1,622)	0	0	0	(2,288)	(504)	0
Brembo Poland Spolka Zo.o.	Pln	2,831,671	657,649	217,450	50,502	2,446	3,154,581	694,526	218,175	48,034	2,381
Brembo Reinsurance AG	Eur	3,197	3,197	2,238	2,238	1	1,257	1,257	503	503	1
Brembo Russia Llc	Rub	32,025	320	6,914	69	2	27,646	300	(3,108)	(34)	3
Brembo Scandinavia A.B.	Sek	11,978	1,048	6,983	611	2	10,587	923	5,360	467	2

		31.12.2024					31.12.2023				
		Revenue from contract with customers		Net result for the period		Number of employees	Revenue from contract with customers		Net result for the period		Number of employees
	Local currency	Local currency	Euro	Local currency	Euro		Local currency	Euro	Local currency	Euro	
Brembo Thailand Ltd.	Thb	0	0	(57,288)	(1,501)	20	0	0	(4,342)	(115)	0
Corporacion Upwards '98 S.A.	Eur	34,040	34,040	3,742	3,742	75	33,534	33,534	3,238	3,238	64
J.Juan S.A.U.	Eur	67,929	67,929	(787)	(787)	463	75,429	75,429	8,799	8,799	466
Jiaxing Ciju Control Systems Co. Ltd.	Cny	318,667	40,927	48,210	6,192	210	287,117	37,487	48,020	6,270	195
La.Cam (Lavorazioni Camune) S.r.l.	Eur	55,751	55,751	1,736	1,736	183	57,364	57,364	2,198	2,198	174
Qingdao Brembo Trading Co. Ltd.	Cny	795,818	102,208	56,950	7,314	56	698,610	91,213	39,753	5,190	52
SBS Friction A/S	Dkk	205,604	27,565	812	109	129	186,661	25,052	388	52	108
Companies valued using the equity method:											
Brembo SGL Carbon Ceramic Brakes S.p.A.	Eur	101,737	101,737	22,505	22,505	259	92,667	92,667	20,229	20,229	195
Brembo SGL Carbon Ceramic Brakes GmbH	Eur	194,397	194,397	19,829	19,829	572	184,801	184,801	23,203	23,203	502
Petroceramics S.p.A.	Eur	2,905	2,905	586	586	22	2,316	2,316	454	454	19
Infibra Technologies S.r.l.	Eur	302	302	(175)	(175)	5	606	606	(54)	(54)	5
Shandong BRGP Friction Technology Co. Ltd.	Cny	262,551	33,720	13,137	1,687	407	96,471	12,596	(13,636)	(1,780)	287

BREMBO WORLDWIDE

Country / Sites	Manufacturing sites	Commercial sites	R&D centres	Brembo Inspiration Lab
Italy Stezzano, Curno, Mapello, Sellero	✓	✓	✓	
Czech Republic Ostrava-Hrabová	✓	✓		
Denmark Svendborg	✓	✓	✓	
France Paris		✓		
Germany Leinfelden-Echterdingen, Meitingen	✓	✓		
Poland Częstochowa, Dąbrowa Górnicza, Niepołomice	✓	✓	✓	
Russia Moscow		✓		
Spain Barcelona, Zaragoza	✓	✓	✓	
Sweden Göteborg	✓	✓		
United Kingdom Coventry	✓	✓	✓	
Brazil Betim	✓	✓		
Mexico Apodaca, Escobedo	✓	✓		
USA Homer, Plymouth, Sunnyvale, Huntersville	✓	✓	✓	✓
Australia Melbourne		✓		
China Nanjing, Langfang, Jiaxing, Qingdao, Jinan	✓	✓	✓	
India Pune, Chennai	✓	✓	✓	
Japan Tokyo		✓		
Thailand Rayong	✓	✓		



Manufacturing sites
Commercial sites
R&D centres
Brembo Inspiration Lab

18 Countries in the world
26 Manufacturing sites
9 R&D centres (including Brembo Inspiration Lab)

2.4.6 FULL YEAR 2024 CONCLUSION AND OUTLOOK

The 2024 results confirmed the resilience of Brembo's business model, despite the challenges faced by the automotive industry and the global geopolitical situation.

The Group's revenues were in line with the already positive results of 2023, closing the year at €3,840.6 million, also thanks to the good aftermarket performance. Gross Operating Income was also in line with the previous year at €661.1 million.

In 2024, net investments, including higher leased assets, amounted to €497.5 million. Despite a macroeconomic context that remained significantly complex, Brembo continued to invest to complete the capacity expansion announced in 2023, aimed at reinforcing its industrial footprint in Mexico, Poland, China, and Thailand.

In October 2024, Brembo announced the acquisition of Öhlins. Its integration into the Group will generate synergies while preserving the company's agility and ability to meet the demand for premium solutions through continuous innovation.

Looking at 2025, the Group confirms its ambition to remain an industry leader and support its customers, developing innovative and sustainable solutions to successfully face the challenges that are shaping the automotive industry.

In a context of great uncertainty and in light of the performance of the first months of 2025, on a like-for-like basis, Brembo expects a revenue decline of approximately 5% compared with the previous year.

However, with the consolidation of Öhlins and if the geopolitical scenario and trade tensions stabilise in the second half of the year, the Group anticipates revenue in line with 2024.

2.5 SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

On 2 January 2025, Brembo, further to the announcement made on 11 October 2024, has completed the acquisition of Öhlins Racing, the leading manufacturer of premium, high-performance suspension technology for motorcycles and cars in the Originai Equipment, Motorsport, and Aftermarket segments. The value of the transaction corresponds to an enterprise value of $405 million, on a cash free/debt free basis, subject to the customary adjustment mechanisms which will be completed within the next 135 days. The payment of the consideration was made entirely using available cash.

No other significant events occurred after the end of 2024 and up to 18 March 2025.

THINKING ABOUT THE PLANET.

Our approach to sustainability can be summed up in five simple words: Prosperity, Planet, Peace, People, Partnership. These concepts and values express the concrete and effective willingness to further expand our commitment to sustainability, in an ever responsible relationship with nature and its resources.

3.

SUSTAINABILITY STATEMENT

WE SUPPORT

Dear Stakeholder,

I am pleased to confirm that in 2024 as well Brembo N.V. reaffirms its support to the 10 United Nations Global Compact Principles in the areas of Human Rights, Labour, the Environment and Anti-corruption.

In this annual report on the achievements made, we disclose our ongoing commitments to integrating the 10 Principles into our Company's strategy, culture and daily activities, as well as to contributing to the United Nations' goals, in particular the Sustainable Development Goals.

Daniele Schillaci
Chief Executive Officer, Brembo N.V.

BREMBO AND THE UN GLOBAL COMPACT

Since 2021, Brembo N.V. has been a participant in the United Nations Global Compact, the world's largest strategic corporate citizenship initiative.

This initiative was established to promote a sustainable global economy that respects human and labour rights, environmental protection, and anti-corruption principles. Promoted by former UN Secretary-General Kofi Annan, more than 25,490 companies from 167 countries have joined the Global Compact, creating a new model for global collaboration.

The UN Global Compact requires companies to share, support, and apply a set of fundamental principles on human rights, labour standards, environmental protection, and anti-corruption within their sphere of influence.

By participating in this initiative, Brembo N.V. has joined a universal network of companies with a long-term strategic vision, oriented towards promoting a culture of sustainability, innovation, and reporting. The Global Compact provides an opportunity to share strategies and good business practices in response to global challenges, utilise ESG-related management tools and resources, and participate in specific working groups.

Further strengthening its commitment, Brembo N.V. has become a founding member of the UN Global Compact Network Italy, actively contributing to the Foundation's objectives and participating in its institutional activities and initiatives.

Recognising the growing importance of sustainability and the value of collaborative learning, Brembo N.V actively participated in 2024 Global Compact Accelerator programs. These specialised programs, designed to embed SDG-aligned practices deep into business operations and across the value chain, accelerate progress and impact for the 2030 Agenda. Specifically, Brembo N.V. engaged with the Climate Ambition Accelerator, the Target Gender Equality Accelerator, and the Business & Human Rights Accelerator.

Brembo N.V.'s participation in the Global Compact testifies to its long-standing commitment to sustainability, which over the years has increasingly focused on numerous fronts, and adherence to the 17 Sustainable Development Goals defined by the UN 2030 Agenda.

SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT

-13.74%
Emissions of CO_2 per cast tonne[1] compared to 2023
-11,2% in 2023*

93%
Recycled waste
88% in 2023*

100%
ISO 14001 environmentally certified plants[2]
100% in 2023*

83%
Electricity coming from renewable sources
75% in 2023

77%
ISO 50001 energy certified plants[3]
52% in 2023

SOCIAL

MORE THAN 339,000
Training hours provided in 2024
More than 350,000 in 2023

14,348
Employees[4]
13,654 in 2023

90.45%
Local supplies: supply from suppliers located in the same geographical areas where the Group operates[5]
90,6% in 2023

78.88%
Suppliers of direct materials that since 2015 have been involved in social and environmental audits
78.2% in 2023

GENDER EQUALITY
Certification[6]
New highlight

GOVERNANCE

16,864
Attendees to business integrity related training courses[7]
New highlight

54.54%
Members of the BoD with ESG-related skills
36.4% in 2023*

83.33%
Board's gender diversity ratio[8]
New highlight

100%
ISO 27001 certified sites[9]
100% in 2023

10
Annual meetings of the Audit, Risk and Sustainability Committee (ARSC)
11 in 2023

1 Scope 1 and market-based Scope 2 emissions, generated by foundries/gross tonnes of molten cast iron and molten aluminium (BSCCB S.p.A. included).

2 The plants failing within the ISO 14001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years.

3 The plants failing within the ISO 50001 certification scope are operating industrial plants or plants that have been part of the Group for at least two years and with energy consumption exceeding 5,000 GJ.

4 The employees of Brembo Reinsurance AG, Brembo France, Brembo Thailand, which are not included in the scope of the Sustainability Statement, are also included.

5 This includes the costs of purchasing goods and services directly involved in the manufacturing of finished products, namely purchases of raw materials, components, semi-finished and finished products, anciliary materials and services (mostly transport, utilities, packaging and MRO). The scope of analysis was expanded to also include the provision of services not closely associated with production, such as costs of ICT and telephony, cleaning, security and canteen services. Tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, building leases and industrial assests are excluded.

6 For Brembo N.V.

7 In calculating the number of people trained on business ethics, a person is counted multiple times if they receive training on different topics. Business ethics include topics detailed in Code of Ethics, antibribery, 231 compliance o local compliance to prevent corporate criminal liability, GDPR, antitrust etc.

8 The Board's gender diversity is calculated as: (Total number of female members / Total number of male members)*100.

9 The ISO 27001 certified sites are the Italian sites of Brembo N.V. (Curno, Mapello and Stezzano), La. CAM. S.r.l., Brembo SGL Carbon Ceramic Brakes S.p.A., Brembo Poland Sp. Z.o.o. production hubs and Brembo Czech S.r.o.

* The 2023 calculation did not consider BSCCB S.p.A.

Data improving.

GROUP SUSTAINABILITY PLAN

An excerpt of the Group Sustainability Plan "Turning Sustainability into Action" is reported below.

NET ZERO (SCOPES 1+2)

Achieving net zero emissions at Group level (Scope 1+2)

Baseline	Status	Target
2020 372,491 tCO2e	2024 224,404 tCO2e -40%	by 2030 -42% by 2040 -90%

NET ZERO (SCOPE 3)

Achieving net zero emissions at Group level (Scope 3)

Baseline	Status	Target
2020 1,666,245 tCO2e	2024 2,085,578 tCO2e +25%*	by 2030 -42% by 2040 -90%

* In reduction compared to the 2023 value

RENEWABLE ENERGY

Increasing renewable energy (%)

Baseline	Status	Target
2020 43%	2024 +83%	by 2025 +70% by 2030 +100%

RECYCLED WASTE

Increase of recycled waste as proportion of total waste generated (%)

Baseline	Status	Target
2022 85%	2024 93%	by 2025 90% by 2030 95%

INCIDENT RATE

Continuous reduction of the incident rate

Baseline	Status	Target
2022 3.63**	2024 2.33 -24%	Annual -10% YOY

** Recalculation according to ESRS

GENDER IN MANAGEMENT

The representation of each gender in the cluster of Management

Baseline	Status	Target
2024 17% women 83% men	2024 17.8% women 82.2% men	by the end of 2028 More than 20%

GENDER IN EXECUTIVE DIRECTORS

The representation of each gender in the cluster of Executive Directors

Baseline	Status	Target
2024 25% women 75% men	2024 25% women 75% men	2026 At least 25% upon renewal of the Board of Directors

GENDER IN NON-EXECUTIVE DIRECTORS

The representation of each gender in the cluster of non Executive Directors

Baseline	Status	Target
2024 57% women 43% men	2024 57% women 43% men	2026 At least 40% upon renewal of the Board of Directors

SUPPLIERS' CO_2 EMISSIONS DATA COLLECTION

Ensure third-party validation of "carbon relevant"*** suppliers' primary emissions data related to Brembo's production, enhancing the reliability of Brembo's Scope 3 emissions calculation

Baseline	Status	Target
2023 41% validation rate of Brembo's "carbon relevant" suppliers' data	2024 75%	Achieve and maintain a validation rate of "carbon relevant" supplier's emissions data above 75%

*** Around 300 suppliers

LOCAL FOR LOCAL INDEX

Prioritize localized supply chain where Brembo has production sites

Baseline	Status	Target
2020 87% local for local index	2024 90.45%	2030 ensuring that the local for local index is maintained >85%

THIRD-PARTY SUPPLY CHAIN MONITORING THROUGH SELF-ASSESSMENT QUESTIONNAIRES

Extend the third party self-assessment questionnaire to cover significant portion of direct supplier spend

Baseline	Status	Target
2024 77% coverage of direct suppliers spend	2024 77%	by 2030 85% coverage of direct supplier spend

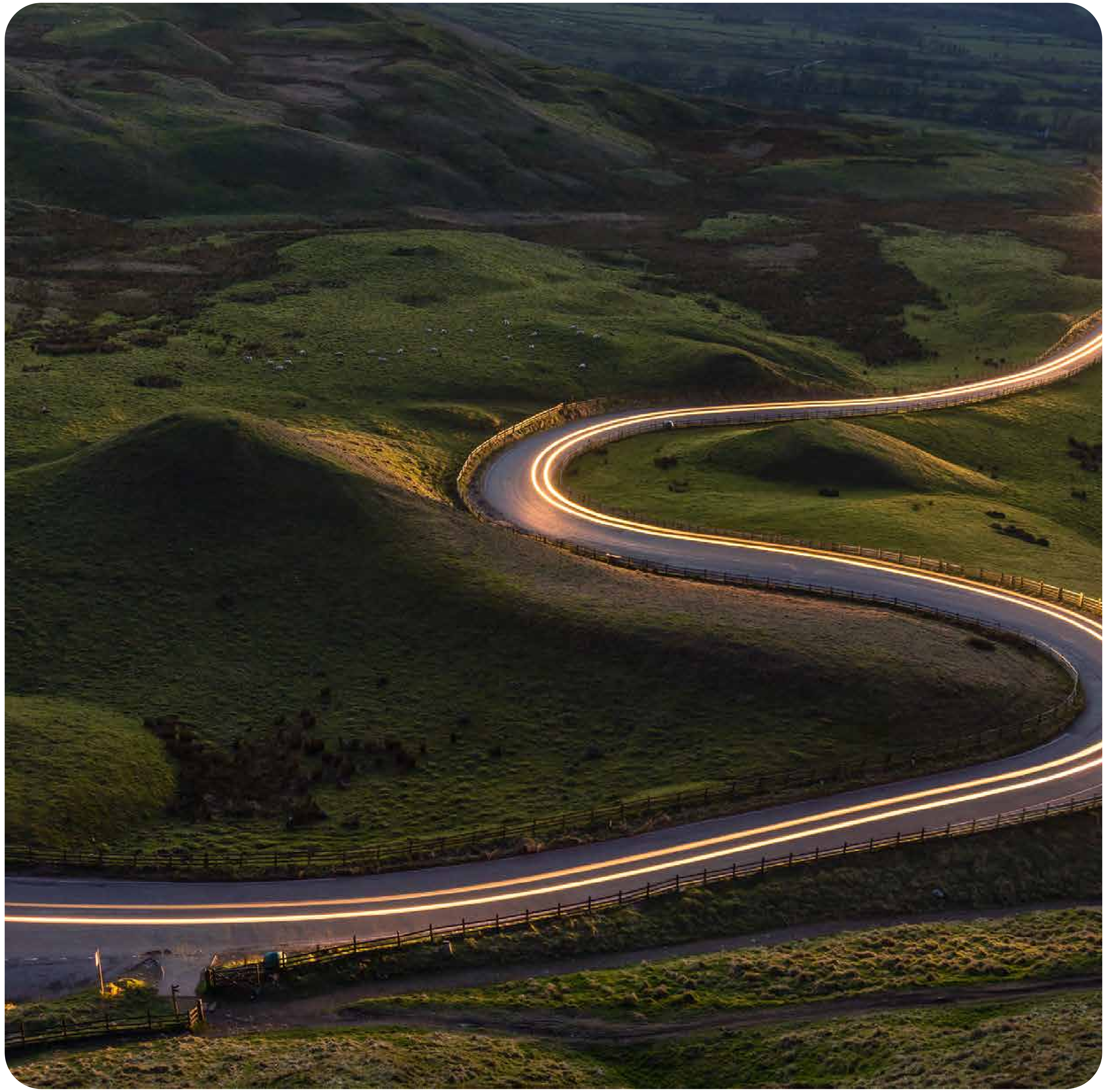
THIRD-PARTY SUPPLY CHAIN MONITORING THROUGH ON-SITE AUDITS

Extend the ESG assessment and monitoring of the supply chain

Baseline	Status	Target
2020 77% turnover of relevant direct material suppliers	2024 78.8%	2026 achieve 80% turnover of relevant direct material suppliers

3.1 GENERAL DISCLOSURE

ESRS 2



ESRS 2

BP-1 GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT

This Sustainability Statement has been prepared on a consolidated basis: its scope coincides with that of the Consolidated financial statement. As such, the scope of the sustainability statement does not include the companies valued using the equity method and the following entities due to the non operative nature:

BREMBO REINSURANCE AG
BREMBO POLAND MANUFACTURING SP.ZO.O.
BREMBO POLAND HERATECH SP. ZO.O.
BREMBO THAILAND LTD.
BREMBO AUSTRALIA PTY LTD
BREMBO FRANCE SAS

ESRS 1 allows companies to not yet incorporate the value chain impact fot certain metrics. Brembo have made use of this exemption, by not including the impact of non-consolidated joint ventures and associates in the sustainability statements. Brembo does not have control over these entities, and will assess in the coming years how to incorporate these entities in its sustainability statements. The value chain exemption can be applied during the first three reporting years. Only data and information related to Brembo SGL Carbon Ceramic Brakes S.p.A. (Stezzano), over which the Group has operational control, is included in metrics where required by the ESRS standards and is well stated.

The double materiality assessment, detailed in the section "IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities", which forms the basis for the preparation of this Sustainability Statement, has considered the Group's value chain. This includes both the activities directly carried out by the Brembo Group and those performed upstream and downstream of direct operations. For a detailed description of the Group's value chain, please refer to the subsequent section "SBM-1 Strategy, business model and value chain".

BP-2 DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES

This document marks the first year of reporting under the European Sustainability Reporting Standards (ESRS), resulting in a different structure for the Sustainability Statement compared to previous reports. It is important to note that no significant errors have been identified in prior reporting periods. Additionally, Brembo does not include information in its sustainability statement that arises from other legislation requiring the disclosure of sustainability information beyond what is prescribed by ESRS. Brembo defined the time horizons in accordance with the ones established by the ERM evaluation processes and adopted in the Financial Statement. Brembo defines the short-term time horizon as less than one year from current reporting period. On the other hand, the medium-term extends from the end of the short-term up to five years, while the long-term encompasses periods exceeding five years. The information presented in the sustainability statement complies with the qualitative characteristics outlined in Appendix B of the ESRS 1 standard, namely: Relevance, Faithful Representation, Comparability, Verifiability, and Understandability. Where necessary, any estimates related to value chain considerations and causes of uncertainty in the results have been described in the respective paragraphs, as well as any estimates made in the calculation of the reported required metrics. Data concerning Scope 3 greenhouse gas emissions face intrinsic limitations due to the limited availability and relative accuracy of the information used to define both quantitative and qualitative aspects related to the value chain. In conclusion, for the reporting year 2024, there have been no notable events or situations that have significantly impacted the sustainability performance of the Brembo Group.

Brembo used the phase-in provision in accordance with the ESRS 1 Appendix C except for S1-7, S1-8,S1-13, S1-14.

Finally, Brembo has not defined any metrics beyond those explicitly required by the ESRS; the Group is committed to defining specific metrics for the identified material IROs that are not covered by an ESRS metric and to their periodic monitoring, particularly for topics regarding S2 value chain workers, S3 affected communities, and S4 consumers and end users Consumers and end users).

GOV-1 ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Brembo has adopted a one-tier board structure as provided by laws of the Netherlands, with a Board of Directors consisting of Executive Directors and Non-Executive Directors. Based on the Board Profile and according to the policy on non-discrimination and diversity, Brembo's Board of Directors (BoD) includes 4 executive and 7 non-executive members of which 5 are female and 6 are male. This results in a gender diversity ratio of 83.33%[10], while the percentage of independent Board members is 55%. The BoD is tasked with overseeing impacts, risks, and opportunities[11].

MATTEO TIRABOSCHI – Executive Chairman
DANIELE SCHILLACI - Chief Executive Officer
CRISTINA BOMBASSEI – Executive Director
ROBERTO VAVASSORI – Executive Director
MANUELA SOFFIENTINI – Independent Director
ELISABETTA MAGISTRETTI – Independent Director
ELIZABETH MARIE ROBINSON – Independent Director
GIANCARLO DALLERA – Independent Director
GIANFELICE ROCCA – Independent Director
UMBERTO NICODANO – Not Executive Director
MICHELA SCHIZZI – Independent Director (candidate proposal by a group of minority shareholders)

Brembo has no representative of the workers in the Board of Directors.

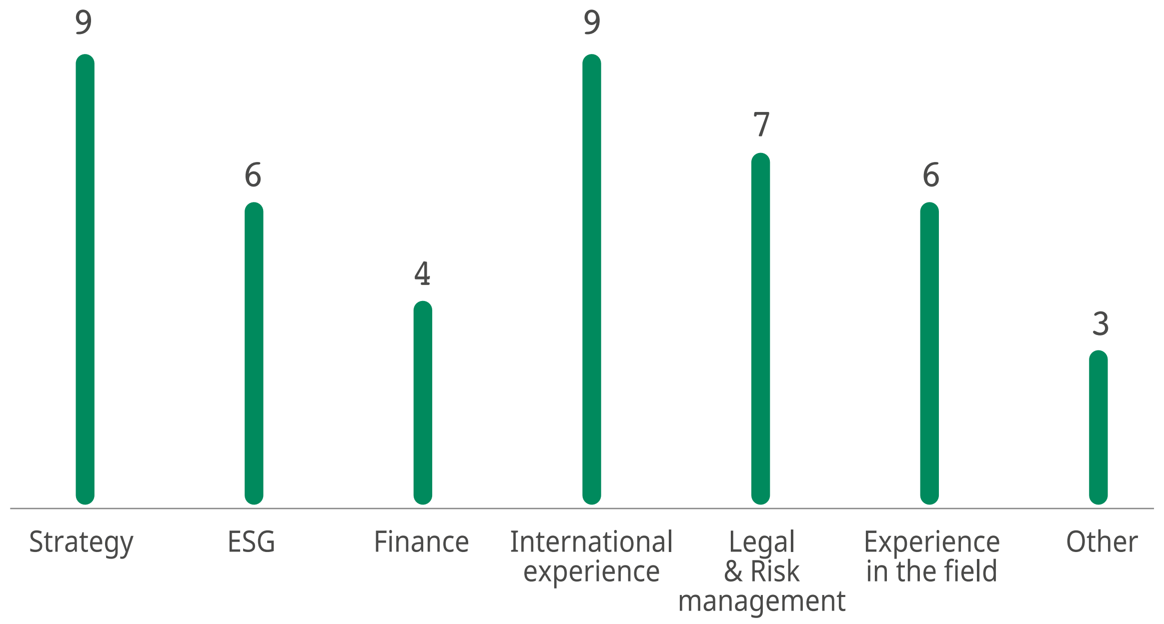
To enhance the Board's skills in these areas and in the sectors, products and geographic locations relevant to the Company, Brembo has organized several in-depth sessions during Board and Committee meetings, which are summarized in the table below.

10 The Board's gender diversity is calculated as an average ratio of female to male board members.
11 For more information regarding the role of the BoD and other supervisory bodies, please refer to G1 GOV-1.

Table 1

Induction Session	Recipients	Date	(ESRS 2 GOV-1;21c,23a ESRS G1 GOV-1;5b) Activities Description
Remuneration and Appointment Committee	Members of the Remuneration and Appointment Committee	February 2024	Gender Representation and Pay Gap Analysis.
		July 2024	Gender Equality Certification.
		December 2024	Policy on non-discrimination and diversity under Dutch law.
			LTIP Benchmark Analysis.
Audit, Risk and Sustainability Committee	Members of the Audit, Risk and Sustainability Committee and Supervisory Committee	January 2024	Cybersecurity risks and plan of control.
		May 2024	Health and safety profiles in relation to site activities, maintenance and high-risk work.
		July 2024	Diversity, Equity and Inclusion Journey.
		October 2024	Sustainability Projects in the Supply Chain.
		December 2024	Non-financial reporting under Dutch law.
Induction for Directors	Non-Executive Directors	February 2024	Main aspects of the Dutch Corporate Governance Code.
			Liability of Non-Executive Directors under Dutch law.
			Shareholders' Meeting according to Dutch Law.
Induction for the BoD (follow-ups during Board meetings)	Executive and Non-Executive Directors	March 2024	Automotive market performance and outlook.
		May 2024	Gender Equality Certification.
		June 2024	Policy on non-discrimination and diversity under Dutch law.
		July 2024	New Code of Ethics.
		November 2024	Update on new Law 231 and adoption of new governance system following cross-border conversion.

In addition to the specific competencies listed in the table above, a short professional profile of each Director, with his/her personal and professional features, is included in the governance report section of the Annual Report and is also available on the Company's website[12]. Furthermore, the members of the Board of Directors were surveyed to identify the skills they have acquired since 2023. The results, illustrated in the graph below, indicate that the "ESG" category was highlighted by six Board Members.



12 www.brembogroup.com: Governance, Governing boards and committees.

The Board of Directors, with the support of the Audit, Risk and Sustainability Committee, is tasked with defining the general guidelines of the Internal Control and Risk Management System (ICRMS), so that the main impacts, risks and opportunities pertaining to Brembo N.V. and its subsidiaries are properly identified, as well as adequately measured, managed and monitored. Moreover, the BoD is yearly informed of and has the responsibility to approve the Double Materiality Analysis — the methodology used to identify its material sustainability topics — and it is involved in the target setting of IROs. In this phase, the Board received information about the Group's IROs.

In addition, the Executive Directors are generally responsible for defining additional policies to effectively implement the guidelines, referring to best practice models. These policies are approved by Top Managers and reported to the Audit, Risk and Sustainability Committee which supports the Board of Directors on internal control and risk management issues, including those relevant from a sustainability perspective. Additionally, the Executive Director in charge of the Internal Control and Risk Management System (ICRMSD) is tasked with identifying the main corporate risks by executing risk management Guidelines and verifying their adequacy.

The Board of Directors has clearly defined the key roles and responsibilities within the Internal Control and Risk Management System (ICRMS). The ICRMS encompasses, according to their respective duties, the Administrative Bodies (Board of Directors, Audit, Risk and Sustainability Committee, Executive Directors, and particularly the ICRMSD), External Auditors Supervisory Committee, Internal Audit GCF, Sustainability & Risk GCF, and other company roles and functions with specific tasks related to internal control and risk management.

These roles are organized based on the company's size, complexity, and risk profile.

Twice a year, the Audit, Risk and Sustainability Committee and the Supervisory Committee shall prepare a report of their deliberations and findings for the Non-Executive Directors and for the Board of Directors, illustrating how they carried out their dutie in the financial year in accordance with the relevant Rules.

Management is also responsible for the effective implementation of the ICRMS within their respective areas. This is achieved through the collaboration and active contribution of all employees and partners at every level of their work activities, thereby creating not only economic but also ethical value for the Company.

To effectively implement the ICRMS guidelines, the Executive Director in charge has established the "Policies for the Management of the Internal Control and Risk Management System". These policies aim to outline the overall integrated structure, allowing the identification and management of the main Company impacts and risks. The System is designed considering the current organizational structure, legislative and regulatory framework, and best practices. This approach ensures continuous information flow among various parties, promoting greater efficiency and maximum mutual integration. To enhance the efficiency of the ICRMS and minimise overlapping activities, specific coordination procedures are in place among the different parties involved.

Coordination is ensured through constant information flow between the different parties involved in the ICRMS, participation in joint meetings to discuss ICRMS-related issues, dissemination of Internal Audit GCF reports, and circulation of minutes and reports from the Chairwoman of the Audit, Risk and Sustainability Committee to the Supervisory Committee. Risks are monitored at monthly meetings where results, opportunities, risks, and mitigation strategies are analysed for each business unit and geographical area.

GOV-2 INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

As previously stated, the Board of Directors, after a first consultation with the Sustainability Committee and with the Audit, Risk and Sustainability Committee and the Supervisory Committee is yearly informed of and has the responsibility to approve the Double Materiality Analysis — the methodology used to identify its material sustainability topics. In this phase the Board receives information about the IROs included within the scope of the double materiality assessment.

During the year, Brembo addressed the relevant risks identified through its risk management policy and procedure (for the list of material IROs, please see ESRS 2 SBM-3). The identification of sustainability risks was carried out through the analysis based on documents following: ERM Report, Climate Change Risk Assessment (CCRA) - Physical and Transitional Risks.

Supervisory Bodies and Board of Directors oversee Brembo sustainability strategy and target embedded in its Sustainability Plan, always considering industry best practices and the main global ESG trends.

GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Brembo is provided both with a short-term Incentive Plan (2024 STIP) and a long-term Incentive Plan (2022-2024 LTIP) both designed by the Remuneration and Appointment Committee and approved by the Board of Directors. The 2024 STIP is designed to align the beneficiaries' organizational conduct and motivate them to achieve challenging targets. The 2022-2024 LTIP is set to push beneficiaries towards the Company's long-term strategies and the sustainability plan defined by the Company has formulated.

The 2024 STIP system provides for an entry gate relating to the Group EBITDA in absolute terms. This performance condition involves an on/off functioning mechanism that entails payment of the final pay-out to the beneficiaries solely in the event that the Group's operating and financial performance is in line with the established targets. Coversely, if the access entry gate is not reached, the system is not be activated, resulting in non-payment of monetary incentives, regardless of whether the objectives in each STIP form are reached.

The LTIP is a pure monetary plan that allows participants to accrue a long-term incentive if the LTIP objectives are met. The reward component of the pay-out curve is offset by the fact that for values below the entry point (corresponding to performance in line with the reference targets), no payment proportional to the performance objective shall be paid. The LTIP objectives are designed to reward the Group's financial and capital solidity, in line with the business plan and the results achieved over recent years in terms of stronger financial performance and productivity recovery. In 2024, therefore, Brembo's LTIP has completed its vesting period.

Concerning the 2024 STIP, the purely quantitative objectives assigned to the beneficiaries were identified and broken down according to different criteria that, in continuity with the past, include the key drivers of ESG (Environmental, Social and Governance) factors.

The ESG criteria were translated into a group sustainability index that constitutes 10% of the overall annual objective for Brembo's Executive Directors with the aim of promoting the application of a long-term sustainable business model.

The achievement the LTIP incentive is instead tied to 4 Group key performance Indicators one of which is again the group sustainability index (Group's Carbon Footprint) at the end of the three-year period. The group sustainability index[13] is defined as the Total amount of CO_2 emissions saved in the three years thanks to improvement actions (tonnes CO_2e) divided by Base year's Scope 1 and 2 CO_2 emissions (tonnes CO_2e) x 100 where the Base year for the three-year period corresponds to 2021.

13 Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

GOV-4 STATEMENT ON DUE DILIGENCE

Brembo has incorporated a due diligence process into its governance and business strategy through its policies and procedures. The focus is primarily on developing ESG analyses of suppliers, paying special attention to environmental and social factors, including human rights. Furthermore, in preparation for the upcoming implementation of the Corporate Sustainability Due Diligence Directive (CSDDD), the company is actively working to enhance its procedures and processes related to due diligence in both environmental and human rights aspects.

The fundamental elements of due diligence are directly integrated into the Disclosure Requirements defined in ESRS 2 and in the following specific ESRS, as illustrated below:

a) Integration of due diligence into governance, strategy, and business model
- ESRS 2 GOV-2
- ESRS 2 GOV-3
- ESRS 2 SBM-3

b) Engagement of impacted stakeholders
- ESRS 2 GOV-2
- ESRS 2 SBM-2
- ESRS 2 IRO-1
- Specific ESRS: reflecting the different phases and purposes of stakeholder engagement

c) Identification and assessment of negative impacts on people and the environment
- ESRS 2 IRO-1 (including application requirements related to specific sustainability issues in the respective ESRS)
- ESRS 2 SBM-3

d) Actions to address negative impacts on people and the environment
- Specific ESRS: reflecting the set of actions, including actions and targets, through which impacts and risks are managed.

e) Tracking the effectiveness of the efforts and communicating undertaken by Brembo
- ESRS 2 GOV-2
- ESRS S2-4.

The outcome of the due diligence process is incorporated in the double materiality assessment.

GOV-5 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Throughout 2024, Brembo has started to develop a first internal control framework tailored for sustainability reporting with focus on a set of ESRS-linked to the social KPIs, mapping in the processes of established financial reporting controls, reporting software and systems, supporting documentation and sustainability data. This strategic initiative enhances the reliability and robustness of non-financial data, enabling Brembo to meet both internal organizational needs and specific legislative requirements with a structured and definitive approach. The scope and main features of this internal control system will ensure the integrity and accuracy of Brembo's sustainability reporting through annual assessment.

Brembo's risk assessment methodology for risk management is conducted under the overall ERM framework which follows the guidelines of ISO 31000. For each risk (including Sustainability Reporting risks) several items are reported and identified, i.e. risk context, risk scenario and mitigation measures to prevent, control and transfer risk. Through its top-down risk mapping process, Brembo assesses at least once a year the main risks of the Group on both short-term and medium-term horizons involving all GBUs, GCFs and main Geographies.

The result is the annual ERM report which is reviewed by the key governance and control roles/functions including the Executive Chaiman, CEO, Internal Audit, Audit Committee and finally the Company board. The Internal Audit GCF considers the results of the ERM report in the development of the annual audit plan which is defined on a "risk based" approach.[14]

Brembo's internal control system for Sustainability Reporting will be grounded in the principles of the COSO Internal Control–Integrated Framework, which encompasses the Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. This framework, complemented by the "Achieving Effective Internal Control Over Sustainability Reporting (ICSR)" guidelines published in March 2023, guides the Company's approach to internal control for non-financial reporting.

Under the COSO framework, the risk assessment process on social KPIs was executed in two main steps:

1. A comprehensive mapping of the reporting process was undertaken, starting from the initial data collection to the final integration of data into the Sustainability Statement, ensuring all intermediary phases were included.
2. This was followed by the identification of risks that could potentially compromise the integrity of sustainability data. The existing mitigation measures were evaluated, and any unmitigated risks were given the highest level of priority, taking precedence over risks that were already partially or completely mitigated.

Among the primary risks identified were computational inaccuracies, erroneous data validation, and flawed data consolidation. To counter these risks, Brembo introduced specific controls and designated control owners tasked with the verification and correction of the processes susceptible to risk.

Brembo is actively working on the integration of the control matrix that emerged from the internal control framework related to ESRS, into its pre-existing Internal Control and Risk Management System (ICRMS). This strategic move aims to embed sustainability reporting into the core responsibilities of Brembo's internal functions, enhancing the overall governance framework. The frequency and methods of involvement of the supervisory body regarding risk management and control over sustainability reporting will be defined at the end of the process. While the integration process into the ICRMS is still underway, it is set to become a key component of the system.

14 For more information on the identification and evaluation of sustainability risks, please refer to the Double Materiality methodology.

SBM-1 STRATEGY, BUSINESS MODEL AND VALUE CHAIN

Brembo is the world leader and acknowledged innovator in the development of braking solutions for automotive vehicles and it currently operates in 18 countries on 4 continents, through its production and business sites, and employs over 14,000 people worldwide.

Table 2

Employees by country	u.m.	2024
Brazil	n	231
China	n	2,016
Czech Republic	n	1,264
Denmark	n	129
India	n	1,272
Italy	n	3,595
Japan	n	27
Mexico	n	1,868
Poland	n	2,446
Spain	n	538
UK	n	181
U.S.A.	n	742
Other	n	15
Total	**n**	**14,324**

Brembo's reference market is represented by the most important manufacturers of cars, motorbikes, commercial vehicles, racing cars and motorbikes to whom the Group offers a wide range of products and services:

1. **Cars**: Brembo is a prominent supplier to major car manufacturers, providing brake discs, callipers, wheel-side modules, and complete braking systems. The Company also serves the aftermarket segment with a variety of components, ensuring coverage for nearly all vehicles on European roads.

2. **Commercial Vehicles**: Brembo's range for commercial vehicles includes components for original equipment brake systems as well as replacement parts and maintenance products for light to heavy commercial vehicles.

3. **Motorbikes**: In the motorbike sector, Brembo offers brake discs, callipers, pumps, light alloy wheels, and complete braking systems to the world's most prestigious manufacturers. Europe, the United States, and Japan are key markets for Brembo in this sector.

4. **Racing**: Although it has a limited impact on overall revenues, the racing sector is of strategic importance for Brembo. The company provides braking systems and clutches for racing cars and motorbikes through leading brands such as Brembo Racing, AP Racing, and Marchesini. This sector is a testbed for innovation, with advancements often trickling down to Brembo's mass-produced products.

Despite a slight decline in global production of passenger cars and light commercial vehicles in 2024, Brembo continues to adapt to changing market dynamics, including shifts in demand for Battery Electric Vehicles (BEVs) and regional disparities in EV adoption.

The European automotive market faced challenges, with a 5% decline in 2024, while North America also saw a decrease of 1%. In contrast, China's light vehicle production grew by 4%, driven by government stimulus and demand for new energy vehicles. The medium and heavy commercial vehicle market experienced a 6% global production decrease, with Europe facing a significant 22% contraction. Overall, while Brembo's consolidated net sales remained stable at €3,840,643 thousand in 2024, the company is positioned to navigate ongoing changes in its significant markets and customer groups.

Given the diversity of services and products it offers, the Brembo Group is characterised by a particularly complex value chain. This process is divided into several key phases, encompassing the entire value chain from upstream stages to the Group's direct activities, through to the downstream use and end-of-life of the product. No one of these phases encompasses the following sectors: fossil fuel, chemicals production, controversial weapons nor the cultivation and production of tobacco. Below is a detailed description of the phases of Brembo's value chain:

UPSTREAM: PROCUREMENT

The first phase of Brembo's value chain involves the sourcing of materials. Brembo procures raw materials such as aluminium, scrap, and other essential materials like coke, graphite, calcium carbonate and other chemical additives. These materials are sourced either from direct extraction activities or through the direct purchase of recycled materials, such as scrap metal. In addition to raw materials, Brembo's upstream phases also involve the purchase of finished products and services, including brake pads, seals, rubber components, packaging, and outsourced services like painting and treatments.

DIRECT: DESIGN, DEVELOPMENT, AND PRODUCTION

The next phase includes the Group's direct activities, such as design, development, and production of finished products. Brembo invests significantly in Research & Development to continuously innovate and improve its products, including activities like road testing for product development. The melting of raw materials is a critical step where metals are melted to be transformed into components. These components are then machined and assembled through a production line. The efficiency and coordination of production are ensured by office and back-office activities.

DIRECT: SALES

Once production is complete, the products are sold to various customers. The main buyers include automotive and two-wheeler manufacturers. Additionally, Brembo sells its products to ITG, distributors, spare parts dealers, mechanics, and tuners for aftermarket activities and car and motorcycle upgrades. The products are also available through web channels, further expanding market reach.

DOWNSTREAM: USE AND END-OF-LIFE OF THE PRODUCT

The final phase of the value chain concerns the use and end-of-life of the product. Brembo braking systems are used by end-users, ensuring them high performance and safety. When products reach the end of their life cycle, Brembo engages in disposal and recycling activities, ensuring that materials are managed responsibly and sustainably.

In terms of significant sustainability-related targets linked to groups of products and services, Brembo has set a goal that complies with Euro 7 regulations to significantly cut PM10 and PM2.5 emissions by 80%, while also generating savings on the total cost of vehicle ownership without compromising performance. This target could be achieved through the Brembo Beyond Greenance Kit which ensures greater mileage and a significant improvement in the total cost of vehicle ownership, with an average reduction of 15%. This results in substantial cost savings over the vehicle's lifetime, a top priority for professional drivers of light commercial vehicles/long-distance fleets, and now also for sedans.

Even though Brembo has not yet performed an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals, the Group set up its sustainability plan, in which it identified objectives related to material issues. The plan was named Turning Sustainability into Action, to underline the intention to make its commitment to sustainability tangible and the desire to define objectives that are challenging and verifiable. In order to develop a consistent plan, the Sustainability Committee discussed each goal and periodically monitors its progress. An information tool was structured to ensure the objectivity of the monitoring. Objectives have a target year and their updated progress is presented annually in order to made adjustments if necessary.

SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS - GENERAL

The Company believes that stakeholder engagement is key to its business and that it contributes to sustainable long-term value creation. The Company fosters an effective dialogue with those stakeholders but may decide not to accommodate or accept any requests or invitations to enter into a dialogue with stakeholders, or to accommodate or accept such request or invitation under certain conditions. The form of this dialogue varies based on the topic and the type of stakeholder involved.

In the Table below the stakeholder engagement is summerized. For further information please refer to the stakeholder engagement policy.

Table 3

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Investors	The Group establishes and maintains a constant and open relationship with its current and potential shareholders, institutional and private investors, financial analysts, market players and, in general, with the financial community	Annual meeting Feedback and support channels offered by the Investor Relations area Meetings, roadshows, and conference calls with analysts and investors Corporate website and dedicated email accounts Engagement survey on the relevance of material topics for Brembo	The aim of the engagement is to increase their level of understanding of the activities performed by the Group and to share the strategic actions and visions underlying Brembo's management, so they can make informed investment decisions	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Customers	The Group engages customers through training and events and supports them via dedicated customer service channels	Daily activities and reports Joint development programmes Customer support channels Support and training network for Brembo expert professionals Surveys to identify customers' needs and expectations Corporate website The Group engages end users via social networks and customer service and feedback channels Engagement survey on the relevance of material topics for Brembo Dedicated events	With reliable and safe products and continuous product innovation, also in view of environmental performance, Brembo aims at maintaining and protecting the brand	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
End users	The Group engages end users via social networks and customer service and feedback channels	Customer support channels Corporate website Monitoring and interaction on social networks Feedback from vehicle and motorbike manufacturers Participation in trade fairs and events with engagement activities for new users and new generations	The aim is to provide them with safe and reliable products, information on the maintenance of braking systems and customer support services to fulfil their needs and expectations	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Brembo people	The Group counts on more than 15,000 people worldwide with different backgrounds and experiences	Global engagement surveys and Pulse surveys Industrial Relations Internal communication channels (e.g., Red portal, MyB Magazine, Notice boards) Internal campaigns Town Hall meetings Communication and engagement regarding Group's objectives and performance	The aim is to maintain a safe, diverse and inclusive work environment, where people can pursue personal and professional growth. The Group has periodic discussions on related topics with the Company employee participation body, where applicable	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Suppliers (workers in the value chain)	The Group relies on the contribution of many suppliers both for raw materials, components, indirect materials and services	Daily activities and reports Engagement survey on the relevance of material topics for Brembo Periodical surveys on specific topics Supplier portal Dedicated workshops	The aim is to work closely with them to guarantee compliance with environmental requirements, production improvements, safety, quality, production continuity, accompanying them towards an increasingly sustainable business	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Local communities	The Group contributes to its local communities by offering various engaging activities, programmes, and partnerships and supports local cultural and social projects	Orientation and involvement of secondary school and university students, as well as targeted awareness and recruiting programmes and initiatives Relations discussions with the Public Administration Plant visits Social and cultural development activities Social media	The aim of the engagement is to gain insights on how to support social development in the communities where Brembo operates	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Institutions	The Group interacts with international, national and local regulators by participating in international and national associations and with public decision-makers	Roundtables and initiatives involving discussion with institutions, at national and international level Hearings before parliamentary committees by associations	The aim is to ensure compliance with regulations and to discuss any relevant regulation developments regarding, for example, automotive non-exhaust emissions control	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

Stakeholder	Relationships	Engagement channels and activities	Purpose	How the outcome is taken into account
Future generations	The Group values the wellbeing of the people and planet while doing business and devotes attention to natural resource preservation, circular economy and protection of ecosystems and biodiversity	Environmental associations advocacy and scientific community analysis campaigns' monitoring Orientation and involvement of secondary schools and university students and related recruiting programmes Launch of targeted engagement projects Yearly incubator for innovative ideas powered by the new generations	The aim is to promote innovation, environmental awareness, and talent development to support social and environmental progress	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Industry companies and competitors	The Group interacts with industry companies and competitors through advanced research projects for pre-competitive technological research in the sector	Participation in advanced research projects through Italian or European consortia	The aim is to collaborate in advanced research projects through Italian or European consortia to promote shared innovation and technological development	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Insurance companies	The Group interacts with insurance companies to transfer the volatility of insurable risks	Visits to the Group's plants by the insurer for property, environmental, and liability risk assessments Roundtables and periodic meetings Engagement survey on the relevance of material topics for Brembo	The aim is to protect the Group from financial disruption especially in case of catastrophic losses	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach
Trade associations	The Group is a member of many trade associations around the world	Roundtables and initiatives involving discussion with institutions, at national and international levels Participation in themed committees of trade associations Hearings before parliamentary committees Engagement survey on the relevance of material topics for Brembo	The aim is to keep up to date with best practices and trends, as well as deepen insight into emerging topics	This assessment helps identify areas where the Company can strengthen its commitment and those where it can reaffirm its current approach

The interests and views of Brembo's key stakeholders have been taken into account in relation to the strategy and business model. This was done through the impact materiality assessment process, in which the main stakeholders expressed their opinions regarding the direct and indirect impacts of the Group. Moreover, following the stakeholder engagement on impact materiality, no changes to Brembo's strategy and business model have been identified or are expected.

The administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders with regard to Brembo's sustainability-related impacts through the presentation of the stakeholder engagement results to the Sustainability Committee and the Board of Directors.

SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Brembo's business strategy takes into account relevant impacts and risks, as well as opportunities that may arise. In particular, as it was already described in section GOV-5, the Group has implemented a Risk Assessment process – based on the risk evaluation carried out in coordination between the risk management function and the function to which the risk is associated. The same procedure applies to all risks, including those related to sustainability aspects, and is updated annually. This process guarantees the resilience of Brembo's strategy to impacts and risks and enhances its ability to take advantage of material opportunities.

The following table provide a description of the sustainability impacts, risks and opportunities considered material by the Brembo Group following the development of the double materiality analysis on which this Report is based.

Table 4

				Value Chain		Impact Time horizon			Financial Time horizon	
Topic ESRS	Sub-Topic	IRO	IRO Name	Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS E1 – Climate Change	Climate change adaptation	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■			■		
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		
		Risk	Increased exposure to catastrophic events following climate change, and the related unavailability of infrastructure, physical and technological (production stoppages, IT infrastructure issues)	■	■				■	■
	Climate change mitigation	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■			■		
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		
		Positive Impact	Reduction of GHG emissions from end-users' cars thanks to the development of innovative technologies	■			■	■		
		Risk	External factors imposing changes/new Sustainability related objectives	■					■	■
		Risk	Potential negative outcome from sustainability audits conducted by clients	■					■	■
		Risk	Relationship with Clients in connection to the achievement of Net Zero objectives	■					■	■
		Risk	Energy transition of the automotive sector and the evolution of regulations related to climate change	■	■					■
		Risk	Extra costs following the purchase of GHG certificates	■						■
		Opportunity	Opportunities related to the growing demand for "green" products	■						■
		Opportunity	Opportunities to leverage stricter regulations on performance and carbon emissions by improving product requirements and production processes	■						■
	Energy	Negative Impact	Reduction in energy availability due to energy-intensive production processes	■	■			■		
		Negative Impact	Climate change caused by greenhouse gas emissions	■	■	■	■	■		

				Value Chain		Impact Time horizon			Financial Time horizon	
Topic ESRS	Sub-Topic	IRO	IRO Name	Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS E2 – Pollution	Pollution of air	Negative Impact	Emissions of pollutants into the air	■	■	■				
ESRS E2 – Pollution	Pollution of air	Risk	Environmental pollution following an accidental event	■					■	■
ESRS E2 – Pollution	Pollution of air	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■					■	■
ESRS E2 – Pollution	Pollution of air	Risk	Potential regulatory non-conformity of a Brembo product	■					■	■
ESRS E2 – Pollution	Pollution of water	Negative Impact	Pollution of water resources		■	■				
ESRS E2 – Pollution	Pollution of water	Risk	Environmental pollution following an accidental event	■					■	■
ESRS E2 – Pollution	Pollution of water	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■					■	■
ESRS E2 – Pollution	Pollution of soil	Risk	Environmental pollution following an accidental event	■					■	■
ESRS E2 – Pollution	Pollution of soil	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■					■	■
ESRS E2 – Pollution	Pollution of soil	Risk	Risk - Acquisition of a company with polluted subsoil	■					■	■
ESRS E2 – Pollution	Substances of concern	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■					■	■
ESRS E2 – Pollution	Substances of very high concern	Risk	Compliance with environmental and chemical regulations, and the ability to grasp changes	■					■	■
ESRS E3 – Water and marine resources	Water	Negative Impact	Scarcity of water resources, particularly in areas of water stress, caused by the consumption of water in the production process	■	■		■	■		

				Value Chain		Impact Time horizon			Financial Time horizon	
Topic ESRS	Sub-Topic	IRO	IRO Name	Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS E4 – Biodiversity and ecosystems	Direct impact drivers of biodiversity loss	Negative Impact	Potential reduction of local biodiversity generated within Group's upstream value chain		■		■	■		
ESRS E5 – Circular economy	Resources inflows, including resource use	Negative Impact	Depletion of natural resources due to the use of raw materials in the production process	■	■			■		
ESRS E5 – Circular economy	Resources inflows, including resource use	Positive impact	Saving of primary materials thanks to the use of recycled and recyclable materials	■			■	■		
ESRS E5 – Circular economy	Resources inflows, including resource use	Risk	Risk related to the unavailability of raw materials/components caused by a geopolitical situation		■				■	■
ESRS E5 – Circular economy	Resource outflows related to products and services	Positive impact	Saving of primary materials thanks to the use of recycled and recyclable materials	■			■	■		
ESRS E5 – Circular economy	Waste	Negative Impact	Soil occupation and pollution due to non-virtuous waste management and a risk	■	■	■	■			
ESRS S1 – Own workforce	Working conditions	Negative impact	Potential Injuries and/or occupational diseases of workers	■		■				
ESRS S1 – Own workforce	Working conditions	Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■				
ESRS S1 – Own workforce	Working conditions	Risk	potential negative outcome from sustainability audits conducted by clients	■					■	■
ESRS S1 – Own workforce	Working conditions	Risk	Employees' health and safety	■					■	■

				Value Chain		Impact Time horizon			Financial Time horizon	
Topic ESRS	Sub-Topic	IRO	IRO Name	Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS S1 – Own workforce (continue)	Equal treatment and opportunities for all	Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■				
		Positive Impact	Development of skills and know-how through specific training activities	■		■	■			
	Other work-related rights	Negative Impact	Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees' wellbeing	■		■				
		Negative Impact	Breach of privacy and loss of sensitive employee data	■		■				
		Risk	Potential negative outcome from sustainability audits conducted by clients	■					■	■
		Risk	Cyberattack causing system unavailability, information loss, and extortion	■					■	■
ESRS S2 – Workers in the value chain	Working conditions	Negative Impact	Workers' injuries and/or occupational diseases		■	■	■			
		Negative Impact	Violation of human rights		■	■				
		Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■				■	■
	Equal treatment and opportunities for all	Negative Impact	Failure to respect equal opportunities in the workplace		■	■				
		Positive Impact	Transparency and supply chain involvement in sustainable practices through monitoring and training programs	■		■	■			
		Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■				■	■

				Value Chain		Impact Time horizon			Financial Time horizon	
Topic ESRS	Sub-Topic	IRO	IRO Name	Direct	Indirect	Short	Medium	Long	Short	Medium Long
ESRS S2 – Workers in the value chain (continue)	Equal treatment and opportunities for all	Negative Impact	Failure to respect equal opportunities in the workplace		■	■				
		Positive Impact	Transparency and supply chain involvement in sustainable practices through monitoring and training programs	■		■	■			
		Risk	Suppliers' compliance with Brembo's "sustainable procurement policy"		■				■	■
ESRS S3 – Affected communities	Communities' economic, social and cultural rights	Positive Impact	Impacts on the social growth of local areas and communities	■			■	■		
ESRS S4 – Consumers and end- users	Personal safety of consumers and/or end-users	Negative Impact	Consumer safety due to product non-conformities	■		■				
		Positive Impact	Increased end-user safety through the implementation of innovative technologies in products	■			■			
		Risk	Product liability and safety recalls	■					■	■
	Social inclusion of consumers and/or end-users	Risk	Potential errors in external and internal communications	■					■	■
ESRS G1 – Business conduct	Management of relationships with suppliers including payment practices	Negative Impact	Unfair payment practices towards suppliers	■		■	■			
	Corporate culture	Risk	Potential misrepresentation and/or lack of reported data and objectives disclosed in sustainability reporting	■					■	■
	Corruption and bribery	Risk	Potential fraud attempts and/or administrative liability due to non-compliance with internal policies/ procedures or local regulations	■					■	■

In 2023, the Group had already assessed an internal exercise to prepare for the new double materiality assessment but the Non-Financial Information "NFI" for the Fiscal Year 2023 were prepared in accordance with the requirements of the GRI-2021 Standard of the Global Reporting Initiative. However, within the limits in which two different methodologies can be compared, no significant discrepancies were found in relation to that exercise.

For the current reporting year, Brembo has identified risks in accordance with the ERM methodology. No risks with a high probability of occurrence were identified on the short or medium-long term. All identified risks are considered to be potential, as a consequence Brembo do not disclose current financial effects for the reporting year. The group has implemented actions to mitigate its impacts, risks, and opportunities, which are described in detail in the sections dedicated to the ESRS topics.

IRO-1 DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

To define the material sustainability topics and, consequently, the contents of this sustainability report, the Brembo Group conducted a double materiality analysis, detailed below.

In accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD), the Brembo Group conducted a Double Materiality exercise following the European Sustainability Reporting Standards (ESRS). This exercise serves as the starting point for identifying material topics through the identification of impacts, risks, and opportunities (hereinafter referred to as "IROs") that the Brembo Group generates for stakeholders, the environment, and people, as well as the effects arising from the environment and society that the Group itself faces. The adopted approach allowed for the structured and systematic identification of the main IROs related to the most relevant environmental, social, and governance topics for the Group's direct operations and along its value chain.

The Double Materiality analysis is based on Brembo enterprise risk management procedures, including due diligence, and involves active engagement with both internal and external stakeholders.

The ESRS Standard establishes that a sustainability topic can be material from one or both of the following perspectives:

- Impact perspective: A sustainability topic is material when it concerns the actual or potential, positive or negative impacts of the company on people or the environment in the short, medium, and long term. These impacts can arise from activities conducted under the direct control of the company as well as along its value chain.

- Financial perspective: A sustainability topic is material if it causes or may cause significant financial effects for the company, whether negative (risks) or positive (opportunities). These risks and opportunities can arise from activities conducted under the direct control of the company as well as along its value chain.

Therefore, to define the material sustainability topics, the Group conducted a double materiality analysis, detailed below.

The double materiality assessment is a continuous process that covers all of Brembo's business areas and sectors. As a dynamic process, it may be influenced over time by changes in business structure, shifts in stakeholder expectations, regulatory changes, advancements in risk management, or other company needs.

IMPACT MATERIALITY

To define the material sustainability topics, the Brembo Group started with the identification and assessment of the impacts Brembo and its value chain generate on people and the environment.

This process was divided into the following phases:

1. Understanding the context in which the Group operates, including in terms of activities performed, business relationships, and geographies.

In defining the Group's material impacts on people and the environment, the following were considered:
- All production activities performed, as detailed in the previous paragraph "*Disclosure Requirement SBM-1 – Strategy, business model and value chain*".
- The most significant business relationships of the Brembo Group, as detailed in the previous paragraph "*Disclosure Requirement SBM-1 – Strategy, business model and value chain*".

2. Identification of the actual and potential impacts of the Group, also through engagement with its stakeholders.

Brembo has conducted specific stakeholder engagement activities in order to receive their input on material impacts. The engagement of internal and external stakeholders within the Group has been fundamental to the sustainability approach, allowing management to identify material topics and define a sustainability strategy aimed at the continuous improvement of performance. For a detailed overview of the Brembo Group's stakeholders and the methods of engagement, please refer to the previous paragraph. "*Disclosure Requirement SBM-2 – Interests and views of stakeholders*".

3. Assessment of the relevance of the impacts and their prioritization

Regarding the assessment and prioritization of negative and positive impacts, two different evaluation scales were used:

Negative impacts	Positive impacts
Negative impacts were prioritized based on their likelihood of occurrence and their **severity**, determined by the combination of: • **Scale** • **Scope** • **Irremediability**	Positive impacts were prioritized based on their likelihood of occurrence, as well as their **Scale** and the **scope** in which they manifest

In general, **Scale** indicates how severe an impact is; **Scope** indicates the breadth of the impact in terms of the stages of the value chain in which it occurs, while **Irremediability** indicates how difficult it is to remedy a negative impact.

In the case of **negative impacts**, whether potential or actual, that influence or could influence **human rights**, these were assessed in a manner **that prioritizes the severity of the impact over its likelihood**. Therefore, if a negative impact has a low probability of occurrence but high severity, the assessment is still considered at the maximum level.

Finally, the Brembo Group has divided impacts into four levels of relevance (as combination of magnitude and likelihood): not relevant, moderate, high, and very relevant. All the impacts that resulted as moderate ore above have been considered material.

For more details regarding the time horizons, please refer to chapter BP-2 Disclosures in relation to specific circumstances.

For more information on the impacts identified by the Brembo Group, please refer to Table 4 in the Disclosure Requirement SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model.

FINANCIAL MATERIALITY

The next phase involved the analysis of Financial Materiality, for which an outside-in approach was adopted.

The analysis was conducted using two key documents from Sustainability & Risk GCF: the ERM Report and the Climate Change Risk Assessment (CCRA). After examining all the risks listed in the documents, including physical and transitional risks that may affect the Group, those relevant to sustainability issues were selected. Similar risks were grouped together, and the aggregated risk was assigned the highest score among those given by Brembo to the individual risks.

The process of identifying, assessing, and managing risks is closely integrated into the Group's Enterprise Risk Management (ERM) system, in line with best practices and international standards. The results of the ERM process are regularly reported to Top Management, the Control and Risk Committee, the Sustainability Committee, and the Board of Directors (BoD) on a quarterly basis, ensuring constant oversight and effective strategic alignment.

At the same time, a desk analysis was used to map and evaluate potentially relevant sustainability-related opportunities. This process included a comparative study of the best practices of peers and competitors, as well as a thorough analysis of the Group's internal documentation and strategic objectives. The work was supported by recognized national and international sources, such as SASB[15], MSCI[16] and the S&P Global Sustainability Yearbook[17]. In this case, since opportunities are not mapped in the ERM, only those present in the CCRA and those identified through the desk analysis were considered.

The analysis was then integrated with risks and opportunities arising from Brembo's impacts and dependencies i.e. close relationships and interconnections between the Group suppliers, customers, resources, regulations, or other external entities on which Brembo relies for its operations and the achievement of its objectives.

Once all potential risks and opportunities were mapped, the evaluation process was conducted by aligning the methodology followed by the Group's ERM function with the guidelines of the ESRS. Specifically, the evaluation of risks and opportunities was carried out based on the following two parameters:

- **Magnitude**, meaning the impact of the occurrence of the risk or opportunity on the Group's activities. The rating scale varies from irrilevant to critical;
- **Likelihood**: the probability of the risk occurring. The rating scale varies from remote to high.

For more details regarding the time horizons, please refer to chapter BP-2 Disclosures in relation to specific circumstances.

Unlike the criteria used for materiality thresholds in impact materiality, risks and opportunities have been divided into four level of magnitude: Irrelevant, moderate, relevant and critical (in accordance with ERM methodology). Only risks and opportunities with Relevant and Critical magnitude have been identified as material regardless of their likelihood.

For more information on the risks and opportunities identified by the Brembo Group, please refer to Table 4 in the Disclosure Requirement SBM-3 - Material impacts, risks, and opportunities and their interaction with strategy and business model.

15 Sustainability Accounting Standards Board.
16 Morgan Stanley Capital International.
17 Standard & Poor's Global.

IRO-2 DISCLOSURE REQUIREMENTS IN ESRS COVERED BY SUSTAINABILITY STATEMENTS

Table 5

Topic ESRS	Disclosure Requirement		page
2 – General Disclosure	BP-1	General basis for preparation of the sustainability statement	40
	BP-2	Disclosures in relation to specific circumstances	40
	GOV-1	The role of the administrative, management and supervisory bodies	40
	GOV-2	Information provided to and sustainability matters addressed by the Group's administrative, management and supervisory bodies	42
	GOV-3	Integration of sustainability-related performance in incentive schemes	42
	GOV-4	Statement on due diligence	43
	GOV-5	Risk management and internal controls over sustainability reporting	43
	SBM-1	Strategy, business model and value chain	44
	SBM-2	Interests and views of stakeholders	45
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47
	IRO-1	Description of the processes to identify and assess material impacts. risks and opportunities	50
	IRO-2	Disclosure Requirements in ESRS covered by the Group's sustainability statement	52
E1 – Climate Change	E1 GOV-3	Integration of sustainability-related performance in incentive schemes	77
	E1 SBM-3	Climate change impacts, risks and opportunities and their interaction with strategy and business model	77
	E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	78
	E1-1	Transition plan for climate change mitigation	79
	E1-2	Policies related to climate change mitigation and adaptation	79
	E1-3	Actions and resources in relation to climate change policies	80
	E1-4	Targets related to climate change mitigation or adaptation	81
	E1-5	Energy consumption and mix	83
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	84
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	88
	E1-8	Internal carbon pricing	88

Topic ESRS	Disclosure Requirement		page
E2 – Pollution	E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	88
	E2-1	Policies related to pollution	88
	E2-2	Actions and resources related to pollution	89
	E2-3	Targets related to pollution	89
	E2-4	Pollution of air, water, and soil	90
	E2-5	Substances of concern and substances of very high concern	91
E3 – Water and marine resources	E3 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	91
	E3-1	Policies related to water and marine resources	91
	E3-2	Actions and resources related to water and marine resources	92
	E3-3	Targets related to water and marine resources	92
	E3-4	Water consumption	93
E4 – Biodiversity and ecosystems	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	93
	E4 SBM-3	Biodiversity impacts, risks and opportunities and their interaction with strategy and business model	94
	E4 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	94
	E4-2	Policies related to biodiversity and ecosystems	94
	E4-3	Actions and resources related to biodiversity and ecosystems	94
	E4-4	Targets related to biodiversity and ecosystems	94
E5 – Circular economy	E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	95
	E5-1	Policies related to resource use and the circular economy	95
	E5-2	Actions and resources related to resource use and the circular economy	95
	E5-3	Targets related to resource use and the circular economy	96
	E5-4	Resource inflows	96
	E5-5	Resource outflows	97

At the conclusion of the double materiality analysis, the disclosure requirements identified in the table below were deemed material, with the pages containing this information highlighted.

The following table also provides information included in this Notice derived from other legislative acts of the European Union in relation to Delegated Regulation 2023/5303 on the European Sustainability Reporting Standards, with an indication of the pages where they are located:

Table 6

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS 2 GOV-1	21 (d) Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		yes	40
ESRS 2 GOV-1	21 (e) Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		yes	41
ESRS 2 GOV-4	30 Statement on due diligence	Indicator number 10 Table #3 of Annex 1				yes	43
ESRS 2 SBM-1	40 (d) i Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS 2 SBM-1	40 (d) ii Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS 2 SBM-1	40 (d) iii Involvement in activities related to controversial weapon	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12 Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS 2 SBM-1	40 (d) iv Involvement in activities related to cultivation and roduction of tobacco			Delegated Regulation (EU) 2020/1818, Article 12 Delegated Regulation (EU) 2020/1816, Annex II		no	44
ESRS E1-1	14 Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	yes	79
ESRS E1-1	16 (g) Companies excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		yes	79
ESRS E1-4	34 GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		yes	81
ESRS E1-5	38 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				yes	83
ESRS E1-5	37 Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				yes	83

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS E1-5	40 to 43 Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				yes	83
ESRS E1-6	44 Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		yes	84
ESRS E1-6	53 to 55 Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		yes	86
ESRS E1-7	56 GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	yes	88
ESRS E1-9	66 Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		no	phased-in
ESRS E1-9	66 (c) Disaggregation of monetary amounts by acute and chronic physical risk 66 (a) Location of significant assets at material physical risk .		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk			no	phased-in
ESRS E1-9	67 (c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			no	phased-in
ESRS E1-9	69 Degree of exposure of the portfolio to climate- related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		no	phased-in
ESRS E2-4	28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				no	90
ESRS E3-1	9 Water and marine resources	Indicator number 7 Table #2 of Annex 1				yes	91
ESRS E3-1	13 Dedicated policy	Indicator number 8 Table 2 of Annex 1				yes	91

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS E3-1	14 Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				yes	92
ESRS E3-4	28 (c) Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				yes	93
ESRS E3-4	29 Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				yes	93
ESRS 2-SBM 3 - E4	16 (a) i	Indicator number 7 Table #1 of Annex 1				yes	94
ESRS 2-SBM 3 - E4	16 (b)	Indicator number 10 Table #2 of Annex 1				yes	94
ESRS 2-SBM 3 - E4	16 (c)	Indicator number 14 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (b) Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (c) Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				yes	94
ESRS E4-2	24 (d) Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				yes	94
ESRS E5-5	37 (d) Non-recycled waste	Indicator number 13 Table #2 of Annex 1				yes	97
ESRS E5-5	39 Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				yes	97
ESRS 2-SBM3 - S1	14 (f) Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				yes	100

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS 2-SBM3 - S1	14 (g) Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				yes	100
ESRS S1-1	20 Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				yes	101
ESRS S1-1	1 to 8, paragraph 21 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions			Delegated Regulation (EU) 2020/1816, Annex II		yes	101
ESRS S1-1	22 processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				yes	101
ESRS S1-1	23 workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				yes	102
ESRS S1-3	32 (c) grievance/ complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				yes	103
ESRS S1-14	88 (b) and (c) Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	108

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS S1-14	88 (e) Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				yes	108
ESRS S1-16	97 (a) Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		yes	109
ESRS S1-16	97 (b) Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				yes	109
ESRS S1-17	103 (a) Incidents of discrimination	Indicator number 7 Table #3 of Annex I				yes	109
ESRS S1-17	104 (a) Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		yes	109
ESRS 2-SBM3 – S2	11 (b) Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				yes	110
ESRS S2-1	17 Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				yes	110
ESRS S2-1	18 Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				yes	110
ESRS S2-1	19 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		yes	110
ESRS S2-1	1 to 8, paragraph 19 Due diligence policies on issues addressed by the fundamental International Labor Organization Conventions			Delegated Regulation (EU) 2020/1816, Annex II		yes	110
ESRS S2-4	36 Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				yes	112
ESRS S3-1	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				no	113
ESRS S3-1	17 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		no	113
ESRS S3-4	36 Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				no	114

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material (yes/no)	page
ESRS S4-1	16 Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				yes	119
ESRS S4-1	17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		yes	119
ESRS S4-4	35 Human rights issues a nd incidents	Indicator number 14 Table #3 of Annex 1				yes	120
ESRS G1-1	10 (b) United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1					123
ESRS G1-1	10 (d) Protection of whistle- blowers	Indicator number 6 Table #3 of Annex 1				yes	126
ESRS G1-4	24 (a) Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		yes	128
ESRS G1-4	24 (b) Standards of anti- corruption and anti- bribery paragraph	Indicator number 16 Table #3 of Annex 1				yes	128

Material

E1. Climate Change
-Energy

E3. Water and Marine Resources
-Water

E4. Biodiversity and ecosystems
-Direct impact drivers of biodiversity loss

E5. Circular economy
-Resource outflows, products and materials
-Waste

S1. Own workforce
-Working conditions – All (Excl. Health and safety)
-Equal treatment and opportunities for all

S3. Affected Communities
-Communities' economic, social and cultural rights

G1. Business Conduct
-Management of relationships with suppliers including payment practices

E1. Climate Change
-Climate change adaptation
-Climate change mitigation

E2. Pollution
-Pollution of air
-Pollution of water

E5. Circular economy
-Resources inflows, including resource use

S1. Own workforce
-Working Conditions - Health and safety
-Other work-related rights
- Child labour, forced labour, privacy

S2. Workers in the value chain
-Working conditions
-Equal treatment and opportunities for all
-Other work-related rights – Child labour, forced labour

S4. Consumers and end-users
-Personal safety of consumers and/or end-users
-Health and safety

Impact Materiality

E2. Pollution
-Pollution of soil
-Substances of concern
-Substances of high concern

S2. Workers in the value chain
-Other work-related rights – Privacy

S4. Consumers and End Users
-Social inclusion of consumers and/or end-users
-Responsible marketing practices

G1. Business Conduct
-Corruption and bribery
-Corporate culture

Not material

Not material — **Financial Materiality** — Material

3.2 TAXONOMY

THE EU TAXONOMY REGULATION (No. 2020/852)

In alignment with the goals of the UN 2030 Agenda and the objective of achieving climate neutrality by 2050, the European Union has established a series of strategies and initiatives aimed at directing capital flows toward investments in assets and activities deemed sustainable. To support this effort, European institutions introduced Regulation (EU) 2020/852 (hereafter referred to as the "Regulation"), which provides reliable and standardized criteria and tools for identifying sustainable economic activities. This Regulation also enhances the comparability for financial institutions and investors regarding the environmental sustainability of investments associated with those activities.

In particular, the Regulation introduced a unified classification system, known as a "taxonomy," for economic activities. To qualify as "environmentally sustainable," these activities must contribute to achieving one or more of the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- The sustainable use and protection of water and marine resources
- The transition to a circular economy
- Pollution prevention and control
- The protection and restoration of biodiversity and ecosystems.

Specifically, the Regulation categorizes economic activities into two classifications:

- **taxonomy-eligible**: an economic activity is considered taxonomy-eligible if it is listed in the delegated acts of the Regulation and corresponds to one or more environmental objectives. If an activity is taxonomy-eligible, it has the potential to make a substantial contribution to the relevant objective.
- **taxonomy-aligned**: an economic activity is classified as taxonomy-aligned if, in addition to being taxonomy-eligible, it complies with the technical screening criteria and minimum safeguards outlined in the Regulation. To achieve this classification, the activity must:
  - meet the **substantial contribution criteria** defined by the Regulation for each activity, which scientifically describe the conditions necessary to significantly contribute to the achievement of the environmental objectives;
  - adhere to the "**Do No Significant Harm**" (DNSH) principle, ensuring that the activity does not cause significant harm to any of the other environmental objectives to which it does not substantially contribute;
  - comply with **minimum safeguards** that ensure respect for human rights and adherence to international legislation regarding workers' rights, taxation, fair competition, and anti-bribery measures.

If an activity is taxonomy-aligned, it may qualify as "environmentally sustainable." Article 8 of the Regulation outlines the reporting obligations within the Taxonomy, which currently apply to non-financial companies subject to the Non-Financial Reporting Directive. Since the Regulation came into force, it has been progressively supplemented and expanded to include new sectors and activities. For example, the publication of the Commission Delegated Regulation (EU) 2023/2485 introduced several amendments to the Climate Delegated Act, incorporating new activities and technical screening criteria.

Companies are required to report the proportion of turnover, operating expenditure (OpEx), and capital expenditure (CapEx) related to taxonomy-eligible activities in relation to all six environmental objectives defined by the "Environmental Delegated Act" (Commission Delegated Regulation (EU) 2023/2486) and the "Climate Delegated Act" (Commission Delegated Regulation (EU) 2021/2139) and its amendments.

COMPLIANCE ASSESSMENT WITH THE REGULATION

In line with the analysis performed during the previous reporting period, in 2024 the Brembo Group evaluated the effective contributions of its taxonomy-eligible economic activities to the six specified objectives and determined which of these activities can also be classified as taxonomy-aligned. Additionally, Brembo conducted a mapping of CapEx and OpEx associated with the purchase of products or services related to taxonomy-eligible and/or taxonomy-aligned economic activities, as well as individual measures aimed at maintaining low levels of emissions.

ELIGIBILITY ANALYSIS

The analysis led to the identification of the following economic activities conducted by Brembo that are associated with climate change objectives:

- **3.8 Manufacture of Aluminium**: This includes the capital expenditure (CapEx) and operating expenditure (OpEx) related to the casting of aluminium performed by Brembo, contributing to climate change mitigation.
- **3.9 Manufacture of Iron and Steel**: This encompasses the CapEx and OpEx associated with cast iron casting performed by Brembo, also aimed at climate change mitigation objective.
- **3.18 Manufacture of automotive and mobility components**: This refers to the CapEx, OpEx and Turnover linked to the manufacture and upgrading of mobility components for zero-emission personal mobility devices and of automotive and mobility systems which are essential for delivering and improving the environmental performance of the vehicle.[18] It is noted that the Brembo Group, in the context of this activity, anticipates a turnover of zero due to the current challenges in making such an estimate. This decision arises from the need to enhance its methodologies for calculating and categorising regenerative braking systems and brakes with drag reduction technologies available in the market.

Additionally, an analysis was conducted regarding CapEx and OpEx related to the purchase of products or services associated with taxonomy-eligible economic activities and individual measures that enable these activities to reduce their emissions. In this instance, the assessment methodology was refined compared to the previous Sustainability Report to ensure that the classification of eligible activities for 2024 is more accurately aligned with Brembo's core operations, differing from the classifications

18 Compared to 2023, activity 9.1 Close to Market Research, development, and innovation was not considered relevant to Brembo as the amendments to the Climate Delegated Act introduced activity 3.18 Manufacture of automotive and mobility components, which includes both manufacture, repair, maintenance, retrofitting, repurposing and upgrade of mobility components for zero-emission personal mobility devices, relevant to Brembo's core business and research and development activities linked to these same areas. Therefore, research and development activities from activity 9.1 have been incorporated into activity 3.18.

of the previous period as the company aimed to provide a clearer depiction of its core activities.

Brembo has carried out a Climate Change Risk Assessment, but the activities reviewed do not encompass adaptation measures for climate change. As a result, these activities are not currently eligible for the CCA.

From this analysis, the economic activities deemed eligible in relation to the objectives of the Taxonomy are as follows.

Table 7

5.1 Construction, extension and operation of water collection, treatment and supply systems	Climate change mitigation	Costs relating to the maintenance and extension of the water supply or treatment systems within the Group's production plants
5.3. Construction, extension and operation of waste water collection and treatment	Climate change mitigation	Costs associated with maintenance and improvement interventions for the collection and treatment of wastewater and rainwater infrastructures within the Group's operational plants
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	Climate change mitigation	Costs relating to the management and maintenance of the company fleet
7.2. Renovation of existing buildings	Climate change mitigation The transition to a circular economy (reference to activity 3.2)	Costs relating to the renovation of existing buildings within the Group's production and sales hubs
7.3. Installation, maintenance and repair of energy efficiency equipment	Climate change mitigation	Costs relating to the installation and maintenance of energy-efficient lighting and new air-conditioning systems
7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Climate change mitigation	Costs relating to the installation, maintenance and repair of charging stations for electric vehicles in parking spaces attached to buildings
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	Climate change mitigation	Costs relating to the installation and maintenance of digital meters and systems for measuring on a continuous basis the energy performance of the production lines and buildings
7.6 Installation, maintenance and repair of renewable energy technologies	Climate change mitigation	Costs relating to the installation and maintenance of photovoltaic plants

Brembo has conducted a Climate Change Risk Analysis that meets some of the DNSH criteria for the Climate Change Mitigation Objective, but the activities considered do not currently include adaptation measures related to climate change as part of an adaptation plan derived from the climate risk analysis. Therefore, these activities are not eligible for Climate Change Adaptation (CCA).

It should be noted that, although the activities related to the gas and nuclear sectors included in the Complementary Delegated Act (Delegated Regulation 2022/1214) are not eligible, the relevant tables are still provided for further information.

ALIGNMENT ANALYSIS

For the purpose of assessing alignment with the objectives of climate change mitigation and adaptation, analyses have been conducted for each identified eligible activity to verify compliance with the criteria for substantial contribution and the "Do No Significant Harm" criteria established by each objective.

ACTIVITY - 3.8 ALUMINIUM PRODUCTION

Substantial contribution to climate change mitigation

Regarding aluminium production activities, the criteria for substantial contribution to climate change mitigation require that the greenhouse gas emissions of the activity do not exceed 1.484 tCO2e per ton of aluminium produced, the average carbon intensity for indirect greenhouse gas emissions does not exceed 100 g CO2e/kWh, and the electricity consumption for the production process does not exceed 15.5 Wh/t Al. Until the reporting year 2025, the Regulation indicates that compliance with two of the aforementioned criteria is sufficient to consider the economic activity aligned. All Brembo plants meet at least two of the aforementioned criteria. In particular, Mapello (Italy), Nanjing (China), and Escobedo (Mexico) meet all three criteria, while Ostrava (Czech Republic) meets two out of three. For this reason, the activity is considered compliant with the substantial contribution criteria.[19]

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning four other objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources**: Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.

19 The plant in Ostrava (Czech Republic) meets the criterion related to tons of CO2e per ton produced and the criterion related to electricity consumption.

- **Pollution prevention and control**: This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding potential alternatives. However, due to the current lack of complete data, the company prudently considers this criterion not met.
- **Protection and restoration of biodiversity and ecosystems**: Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts has yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY - 3.9 IRON AND STEEL PRODUCTION

Substantial contribution to climate change mitigation.

Regarding the iron and steel production activity, the criteria for substantial contribution to climate change mitigation require that the emissions from the production process related to coke (excluding lignite coke) used in the production process do not exceed 0.144 tCO_2e per ton of product (the only plant, Mapello, to which this criterion applies does not meet it), and that the emissions related to the casting of pig iron do not exceed 0.299 tCO_2e per ton of product. Therefore, for the criterion related to iron casting, the iron and steel production facilities in Nanjing, Dabrowa, Escobedo, and Homer are compliant; however, the plants in Mapello (Italy) and Langfang (China) do not meet this criterion.

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning four other objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources**: Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.
- **Pollution prevention and control**: This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding potential alternatives. However, due to the current lack of complete data, the company prudently considers this criterion not met.
- **Protection and restoration of biodiversity and ecosystems**: Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY - 3.18 MANUFACTURE OF AUTOMOTIVE AND MOBILITY COMPONENTS

Substantial contribution to climate change mitigation.

Regarding urban, suburban, and road passenger transport devices, the criteria for substantial contribution to climate change mitigation require that the direct (tailpipe) CO_2 emissions of the vehicles are zero. This includes vehicles in categories M2 and M3, as well as light-duty vehicles in categories M1 and N1, which must also have zero CO_2 emissions as defined in Regulation (EU) 2019/631. Vehicles in category L must have tailpipe CO_2 emissions equal to 0 g CO_2e/km, and heavy-duty vehicles in categories N2 and N3 must not be dedicated to transporting fossil fuels and have a maximum laden mass not exceeding 7.5 tonnes to qualify as "zero-emission heavy-duty vehicles". Therefore, even though the majority of the products included in the category are intended for hybrid and electric cars, the group has opted to adopt a precautionary approach and considers the activity non-compliant with the substantial contribution requirements, although it is in line with some of its sections.

Do No Significant Harm (DNSH)

For the activity, Annex I of the Climate Delegated Act provides DNSH criteria concerning the following objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all production sites.
- **Sustainable use and protection of water and marine resources**: Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant

stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met for all the Business Units.

- **Transition to a circular economy**: The activity assesses the availability of and, where feasible, adopts techniques that support the reuse and use of secondary raw materials and re-used components in manufactured products. It also emphasizes design for high durability, recyclability, easy disassembly, and adaptability of products, along with waste management that prioritizes recycling over disposal. Information on and traceability of substances of concern throughout the life cycle of the manufactured products is also ensured. The Group considers it prudent to adopt a precautionary approach and assesses the activity as non-compliant with the specified DNSH criterion.
- **Pollution prevention and control**: This criterion prohibits the use of certain substances deemed hazardous. In light of this criterion, and considering the updates made in June 2023 and the related interpretative ambiguities encountered, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.
- **Protection and restoration of biodiversity and ecosystems**: Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY – CAPEX C

ACTIVITY - 5.1 CONSTRUCTION, EXTENSION AND OPERATION OF WATER COLLECTION, TREATMENT AND SUPPLY SYSTEMS

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. As the Group does not have all the necessary evidence relating to construction, extension and operation of water supply or treatment systems at its production or distribution hubs, it has taken a prudential approach and considered the criterion not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other three objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources**: Environmental degradation risks related to preserving water quality and avoiding water stress are identified and addressed with the aim of achieving good water status and good ecological potential as defined in Regulation (EU) 2020/852. A water use and protection management plan has been developed in consultation with relevant stakeholders. Where an Environmental Impact Assessment is carried out in accordance with Directive 2011/92/EU and includes an assessment of the impact on water, no additional assessment is required, provided the risks identified have been addressed. Consequently, the criterion is considered met.
- **The protection and restoration of biodiversity and ecosystems**: Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY 5.3. CONSTRUCTION, EXTENSION AND OPERATION OF WASTEWATER COLLECTION AND TREATMENT

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. As the Group does not have all the necessary evidence relating to construction, extension and operation of wastewater collection and treatment systems at its production or distribution hubs, it has taken a prudential approach and considered the criterion not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources**: for this activity, the potential risks for the good condition or good ecological potential of bodies of water must be assessed and dealt with. Even though these risks have been assessed, there is no evidence that in Brembo's plants wastewater is treated to a level suitable for reuse in agricultural irrigation, the criterion is therefore considered not met.
- **Pollution prevention and control**: Brembo is compliant with maximum permissible pollutant levels and sewage sludge usage but there is no evidence that appropriate measures have been implemented to avoid and mitigate excessive storm water overflows from the wastewater collection system. As such, according to a conservative approach, Group believes this activity is not compliant with such a DNSH criterion.
- **The protection and restoration of biodiversity and ecosystems**: Regarding this objective, the criterion requires that an environmental impact assessment or an equivalent examination has been conducted. Furthermore, it is essential that for sites situated in or near biodiversity-sensitive areas, a suitable assessment has been carried out. Brembo started an initial assessment of the biodiversity status in the regions where its plants are situated and based on the findings of this assessment, no relevant impacts have yet been identified nor the necessary mitigation measures been implemented. Consequently, the Group deems it appropriate to adopt a precautionary approach and considers the criterion not met.

ACTIVITY 6.5. TRANSPORT BY MOTORBIKES, PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES

Substantial contribution to climate change mitigation

The substantial contribution criteria for expenses incurred for the vehicle fleet require that such vehicles belong to a specific emission class that varies depending on the type of vehicle. For the current reporting year, the Group believes that the activity is consistent with the substantial contribution criteria solely for the fleet's electric and hybrid vehicles.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other three objectives:

- **Climate change adaptation**: For this activity, it is also expected that an analysis for the identification and assessment of vulnerability to chronic and acute physical climate risks that impact the activity itself will be conducted. Regarding the investments made in 2024 related to the vehicle fleet, following a conservative and cautious approach, and given that this is not an activity directly carried out by Brembo and in the absence of sufficient elements to allow for a complete assessment of compliance with the criterion, the Group considers the activity non-compliant with this DNSH criterion.
- **The transition to a circular economy**: vehicles must exhibit specific minimum reusability and recyclability features, and appropriate waste management practices must be implemented during the maintenance (use phase) and at the end of the vehicle's life. By adopting a conservative stance and due to a lack of comprehensive information for a complete evaluation of suppliers' adherence to the criterion, the Group considers this activity to be non-compliant with the respective Do No Significant Harm (DNSH) criterion.
- **Pollution prevention and control**: vehicles must adhere to certain parameters relating to conformity, type approval, emissions, and efficiency. Some of the vehicles in the Group's fleet meet this criterion, as the parameters and characteristics in question are required by the European Union for all recently registered vehicles; however, due to having facilities outside the European Union, the Group, as a precautionary measure, considers this activity to be non-compliant with the criterion.

ACTIVITY 7.2.
RENOVATION OF EXISTING BUILDINGS

Substantial contribution to climate change mitigation

The criteria for substantial contribution to climate change mitigation require that specific energy performance criteria have been met. Since the Group does not have all the necessary evidence relating to the work to construct the new buildings at its production hubs, according to a prudential approach, the criterion has been considered not met.

Do No Significant Harm (DNSH)

For the said activity, Annex I of the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources**: In relation to this objective, the criterion mandates specific plumbing techniques, including maximum water flow rates of 6 litres/min for taps, 8 litres/min for showers, a full flush volume of 6 litres and an average flush volume of 3.5 litres for WCs, and 2 litres/bowl/hour for urinals, with flushing urinals having a maximum full flush volume of 1 litre. The Group acknowledges that it lacks full visibility for all the facilities within the scope. Therefore, the Group has decided to take a cautious approach and regards the activity as non-compliant with the specified Do No Significant Harm (DNSH) criterion.
- **The transition to a circular economy**: Concerning this objective, the criterion stipulates that a minimum of 70% of the waste produced during construction and demolition at a work site must be processed for recovery. Given that the Group does not possess complete oversight of all active construction sites at plants not directly operated by Brembo, the Group has decided to take a cautious approach and regards the activity as non-compliant with the DNSH criterion.
- **Pollution prevention and control**: Regarding this objective, building components and materials used in the renovation must emit less than 0.06 mg of formaldehyde per m^3 and less than 0.001 mg of categories 1A and 1B carcinogenic volatile organic compounds per m^3, tested according to relevant standards. A ban is established on the use of certain substances deemed hazardous. To avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and consider the activity as non-compliant with the Do No Significant Harm (DNSH) criterion.

ACTIVITY 3.2.
RENOVATION OF EXISTING BUILDINGS – CIRCULAR ECONOMY

Substantial contribution to circular economy

The criteria for making a substantial contribution to the circular economy objective mandate particular handling of construction waste, calculation of the building's life cycle Global Warming Potential, design for adaptability, retention of 50% of the original building during construction, and the utilisation of secondary raw materials. Due to the absence of complete documentation regarding the construction of new buildings at its production hubs, Brembo has adopted a cautious approach and determined that the criterion has not been satisfied.

Do No Significant Harm (DNSH)

For the said activity, Annex I of the Climate Delegated Act provides for DNSH criteria with respect to the other four objectives:

- **Climate change mitigation**: the buildings are not dedicated to extraction, storage, transport or manufacture of fossil fuels, the criterion has therefore been met.
- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **The sustainable use and protection of water and marine resources**: In relation to this objective, the criterion mandates particular techniques concerning certain plumbing systems. The Group acknowledges that it lacks full visibility for all the facilities within the scope. Therefore, the Group has decided to take a cautious approach and regards the activity as non-compliant with the specified DNSH criterion.
- **Pollution prevention and control**: a ban is established on the use of certain substances deemed hazardous. Also, to avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.

ACTIVITY 7.3. INSTALLATION, MAINTENANCE AND REPAIR OF ENERGY EFFICIENCY EQUIPMENT

Substantial contribution to climate change mitigation

Only a limited amount of expenses incurred for the installation and maintenance of energy-efficient lighting and new air-conditioning systems meet the substantial contribution criteria as they are included in the list of initiatives described within the Delegated Act.

Do No Significant Harm (DNSH)

For the said activity, Annex I to the Climate Delegated Act provides for DNSH criteria with respect to the other two objectives:

- **Climate change adaptation**: It is required that an analysis is conducted to identify and assess the vulnerability to physical climate risks, both chronic and acute, that impact the activity itself. Brembo has carried out an analysis of relevant physical risks across all its production facilities, considering scenarios for the short term (2023-2025) and long term (2030-2050) based on the IPCC RCP 8.5 scenario ("Fossil Fuel Driven Development"). For this reason, the criterion is considered met for all Group plants subject to the analysis.
- **Pollution prevention and control**: This criterion prohibits the use of certain substances classified as hazardous. Brembo ensures that all substances used are in compliance with European and local regulations and has launched a mapping project to identify hazardous substances in use, with the goal of finding potential alternatives. However, to avoid interpretative ambiguity, the Group deems it appropriate to take a prudential approach and to consider the activity as non-compliant with the DNSH criterion.

ACTIVITY 7.4. INSTALLATION, MAINTENANCE AND REPAIR OF CHARGING STATIONS FOR ELECTRIC VEHICLES IN BUILDINGS (AND PARKING SPACES ATTACHED TO BUILDINGS)

Substantial contribution to climate change mitigation

The criteria for making a substantial contribution to climate change mitigation include the installation, repair, and maintenance of electric vehicle charging stations within Brembo's plants. The criterion is deemed to be met, as Brembo has undertaken both the installation and maintenance of such charging stations.

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to activity 7.4 is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

ACTIVITY 7.5 INSTALLATION, MAINTENANCE AND REPAIR OF INSTRUMENTS AND DEVICES FOR MEASURING, REGULATION AND CONTROLLING ENERGY PERFORMANCE OF BUILDINGS

Substantial contribution to climate change mitigation

With regard to the expenses incurred for digital meters and energy performance measurement systems, almost all the eligible activities meet the substantial contribution criteria as they are included in the list of initiatives described in the substantial contribution section.
More specifically, Brembo's plant activities include the installation and maintenance of building automation and control systems, building energy management systems (BEMS) and lighting control systems and energy management systems (EMS).

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to this activity, is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

ACTIVITY 7.6 INSTALLATION, MAINTENANCE AND REPAIR OF RENEWABLE ENERGY TECHNOLOGIES

Substantial contribution to climate change mitigation

Regarding the costs associated with the installation of photovoltaic panels, heat exchangers, and heat pumps, these activities align with the criteria for substantial contribution to climate change mitigation, as they are part of the list of initiatives outlined in the substantial contribution section. Therefore, there are different activities that do not meet the substantial contribution criteria.

Do No Significant Harm (DNSH)

The only DNSH criterion provided for by the Regulation with respect to activity 7.6 is that relating to the climate change adaptation objective. With regard to this objective, the criterion has been met due to initiatives at the Group's plants under analysis.

MINIMUM SAFEGUARD GUARANTEES

Ultimately, Brembo assessed adherence to the minimum safeguard guarantees, in line with the stipulations outlined in Article 18 of the Regulation. In particular, the OECD 2023 Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights, as well as the principles and rights established by the eight fundamental conventions recognized in the declaration of the International Labour Organization (ILO) and the International Bill of Human Rights were considered.

Specifically, nine categories were evaluated: human rights policies, due diligence and risk assessment on human rights, management of human rights impacts, grievance mechanisms, consumer interests, anti-corruption, competition, and taxation.

Brembo ensures coverage of issues related to minimum safeguard guarantees through the adoption of specific tools such as corporate policies, guidelines, and organizational and operational mechanisms, particularly:

- Group code of ethic, whose rules apply to all employees of all Group Companies and to all those who operate to achieve the Group's objectives.
- 231 Model and whistleblowing procedures for reporting any violations of the code and the models themselves.
- Policies regarding diversity in the composition of the Administrative Body aimed at ensuring an ideal mix of skills and professionalism among the members of the Board of Directors, not only in terms of gender but also in terms of experience, professionalism, honourability, independence, age, and other relevant aspects provided by legislative provisions.
- Remuneration policy and related report published annually as better described in the paragraph "Remuneration Policies" of the chapter "ESRS S1 - Own workforce" and "ESRS G1 - Business conduct".
- Public communication on issues related to human rights and gender diversity and fundamental labour rights in the Group's present sustainability statement (for more information, see the chapters "ESRS S1 - Own workforce" and "ESRS S2 - Workers in the value chain").
- Policies and codes of conduct published on the Group's website, whose rules apply to all employees of all Group Companies and to all those who operate to achieve the Group's objectives: anti-corruption code of conduct, brembo code of basic working conditions, brembo policy on non-discrimination and diversity, sustainable procurement policy, general conditions of purchase of materials and services of Brembo. The codes and policies are described in detail in the chapter "ESRS G1 - Business conduct".
- Grievance mechanisms accessible to stakeholders through the Group's website.

Following this analysis, the Group verified that it has implemented all the safeguards provided for in Article 18 of the Regulation, while recognising the need to formalize some specific disclosures to ensure full compliance with the requirements of the OECD Guidelines and the UN Guiding Principles.

For further details regarding the safeguards related to minimum safeguard guarantees, please refer specifically to the chapters "ESRS S1-Own workforce", "ESRS S2-Workers in the value chain" and "ESRS G1-Business conduct" which delve into the Group's safeguards and results concerning human rights issues and the fight against corruption.

In cases of verification of minimum safeguard guarantees concerning products and services purchased by the Group and originating from eligible economic activities (specifically, for activities 5.1, 5.3, 6.5, 7.2, 7.3, 7.4, 7.5, and 7.6 for the Climate Change Mitigation objective and activity 3.2 for the Circular Economy Objective), companies are required to broaden the scope of analysis to the supply chain of eligible products and services.

In this context, the Group has implemented a specific procedural set to ensure and promote transparency and compliance with the principles outlined in its Ethical Code across the supply chain, as detailed in the chapter "ESRS S2-Workers in the value chain". Nevertheless, adopting a conservative and cautious approach, Brembo does not consider that it possesses adequate information to confirm that existing supply chain management practices ensure complete compliance of suppliers with the requirements of Article 8 of the Regulation.

ACCOUNTING POLICY AND CONTEXTUAL INFORMATION

The Group, in accordance with the guidelines of Annex 1-2 of the Disclosure Delegated Act[20], has calculated the Turnover, Capex, and Opex indicators in relation to the activities identified as eligible, assessing their specific weight with reference to their respective consolidated values.

Specifically, the following sections outline the methodological approaches used for the calculation of each indicator, providing an overview for both the denominators and the numerators.

20 Delegated Regulation (EU) 2021/2178.

The Group also clarifies that there is no alignment; in fact, the activities for which the appropriate calculations have been made are solely eligible.

TURNOVER KPI

The denominator for Turnover was determined through an analysis of the Group's statutory chart of accounts for the fiscal year 2024. Specifically, for this purpose, in accordance with § 1.1.1 of Annex 1 of the Delegated Regulation (EU) 2021/2178 (hereinafter "Disclosure Delegated Act"), the revenues from the Group's core activities were identified by considering the line item "Revenue from contracts with customers". These revenues, as described by IAS 1 paragraph 82 and the definition of Net Turnover in Directive 2013/34/EU, represent the proceeds from the sale of goods and services net of sales returns, VAT, and other taxes related to turnover. Consequently, the Group's Turnover for 2024 amounts to €3,840,643.00 thousand, as reported in the consolidated financial statements (Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024).

Regarding the calculation of the numerator, although activity 3.18 - Production of automotive and mobility components was preliminarily identified as eligible, no revenues associated with it were recognised for the reporting period 2024. As previously mentioned, the Group is conducting analyses to refine its methodologies for calculating and identifying regenerative braking systems and brakes with drag reduction technologies.

OPEX KPI

§ 1.1.3.1 of the Disclosure Delegated Act establishes that the denominator of Opex must be calculated by identifying specific non-capitalised operating costs related to:

- Research and development
- Renovation measures for buildings
- Short-term leases
- Maintenance and repairs
- Any other direct expenses related to the daily maintenance of properties, plants and machinery.

To evaluate these items, the Group conducted a thorough analysis of the Group's accounting plan. Therefore, a detailed investigation was carried out to isolate all items attributable to the above components.

It is specified as follows:

- Regarding "any other direct expenses related to the daily maintenance of properties, plants and machinery," cleaning expenses for the plants were considered as suggested by FAQ No. 12 of the Commission Notice C (2022) 385/01 of 06.10.2022.
- For the personnel costs involved in ordinary maintenance and R&D activities, since it was not possible to derive the values directly through the analysis of the accounting plan, a detailed analysis of the cost centres was conducted using analytical accounting.

As a result, a value obtained for the denominator amounts to €283,827.54 thousand.

Regarding the numerator, the numbers associated with the identified eligible activities were extracted from the management system of the Group's companies, ensuring correspondence with the items of the consolidated accounting plan used for calculating the denominator. In particular, the following eligible activities were identified during the technical assessment:

- 3.8 Production of aluminium (Climate change mitigation);
- 3.9 Production of iron and steel (Climate change mitigation);
- 3.18 Production of automotive and mobility components (Climate change mitigation);
- 5.1 Construction, expansion, and management of water collection, treatment, and supply systems (Climate change mitigation);
- 5.3 Construction, expansion, and management of wastewater collection and treatment systems (Climate change mitigation);
- 6.5 Transport by motorcycles, cars, and light commercial vehicles (Climate change mitigation);
- 7.2 Renovation of existing buildings (Climate change mitigation and activity 3.2 for Circular Economy);
- 7.3 Installation, maintenance, and repair of energy efficiency devices (Climate change mitigation);
- 7.4 Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces related to the buildings) (Climate change mitigation);
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings (Climate change mitigation);
- 7.6 Installation, maintenance, and repair of renewable energy technologies (Climate change mitigation);

With reference to point C[21] of § 1.1.3.2, operating expenses — largely related to maintenance — were identified concerning other activities, including the construction, expansion, and management of water collection and treatment systems. Additionally, interventions related to transport by motorcycles, cars, and light commercial vehicles, renovation of existing buildings, installation and maintenance of energy efficiency devices, electric vehicle charging stations, and renewable energy technologies were considered.

CAPEX KPI

§ 1.1.2.1 of the Disclosure Delegated Act specifies that the denominator of Capex must incorporate increases in tangible and intangible assets incurred during the fiscal year before depreciation, impairment, and any revaluation, including those arising from revaluations and reductions in value for the fiscal year in question, and excluding changes in fair value. The denominator must also include increases in tangible and intangible assets resulting from business combinations.

In line with the above, the Group considered the increases related to intangible, tangible assets, and rights of use of leased assets for the denominator.

To obtain this data, the asset movement tables were used, isolating only the "acquisitions" row (Tangible fixed assets and Intangible fixed assets, items found in notes 1 and 2 of the consolidated annual financial report).

21 Paragraph 1.1.3.2 of the (EU) Delegated Regulation 2021/2178: Operating expenses related to the purchase of output from economic Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(2), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

As suggested by § 1.1.2.1, the following references were used:

- IAS 16 Property, Plant and Equipment
- IAS 38 Intangible Assets
- IFRS 16 Leases

The Group's investments considered for the denominator amount to €500,360.00 thousand, as indicated in the notes to the consolidated financial statements. These investments were divided by type of activity, distinguishing between tangible, intangible assets, and rights of use (according to IFRS 16) of the increases that occurred during 2024, leading specifically to the following values:

- Intangible assets €47,090.00 thousand
- Tangible assets €363,964.00 thousand
- Rights of use €89,306.00 thousand.

Regarding the numerator of the KPI, the Group conducted a detailed analysis of the asset movements to identify the components associated with the activities deemed eligible during the technical assessment. In particular, since the Group operates in various territories, the approach used involved the participation of the administrative-accounting resources of all plants and Legal Entities within the consolidation perimeter. Detailed numbers were then obtained through extraction from the management systems.

The activities identified as sources of investments in 2024 include:

- 3.8 Production of aluminium (Climate change mitigation);
- 3.9 Production of iron and steel (Climate change mitigation);
- 3.18 Production of automotive and mobility components (Climate change mitigation);
- 5.1 Construction, expansion, and management of water collection, treatment, and supply systems (Climate change mitigation);
- 5.3 Construction, expansion, and management of wastewater collection and treatment systems (Climate change mitigation);
- 6.5 Transport by motorcycles, cars, and light commercial vehicles (Climate change mitigation);
- 7.2 Renovation of existing buildings (Climate change mitigation and activity 3.2 for Circular Economy);
- 7.3 Installation, maintenance, and repair of energy efficiency devices (Climate change mitigation);
- 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulating, and controlling the energy performance of buildings (Climate change mitigation);
- 7.6 Installation, maintenance, and repair of renewable energy technologies (Climate change mitigation);

With reference to point C[22] of § 1.1.2.2, capitalised expenses related to other activities, energy efficiency, data processing, and renewable energy technologies were identified. Primarily, investments in tangible (plants, machinery, and buildings) and intangible (research and development) activities were considered.

COMPARISON WITH THE PREVIOUS YEAR

Please refer to the tables below for details on the numerical and percentage variations of the KPIs required by the regulations.

It is specified that the variation of the KPIs compared to the previous year is not associated with a change in the accounting approach used in deriving the numbers and reporting the KPIs, but rather to the inclusion of additional activities compared to those considered in the previous year.

22 Paragraph 1.1.2.2 of the (EU) Delegated Regulation 2021/2178: Capital expenditures related to the purchase of output from Taxonomy-aligned economic activities and individual measures enablling the target activities to become low carbon or to lead to greenhouse gas reductions, as well as to specific measures for the renovation of buildings identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2), and Article 15(2), of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Proportion of Turnover from services or products associated with Taxonomy-aligned and Taxonomy-eligible economic activities – Disclosure for the Year 2024 (Data in €k)

Table 8

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ("DO NO SIGNIFICANT HARM")									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Turnover aligned (A.1.) or eligible (A.2.), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%																
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)		0.00	0.00%																
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00	0.00%																
Turnover of Taxonomy-eligible activities Total (A.1 + A.2)		**0.00**	**0.00%**																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		3,480,643.00	100.00%																
Total		**3,480,643.00**	**100.00%**																

	PROPORTION OF TURNOVER / TURNOVER	
	Aligned Objective	**Eligible Objective**
CCM	0.00%	0.00%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Proportion of Capital Expenditures from products or services associated with Taxonomy-aligned economic activities– Disclosure for the Year 2024 (Data in €/k)

Table 9

Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, (4)	SUBSTANTIAL CONTRIBUTION CRITERIA Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	DNSH CRITERIA ("DO NO SIGNIFICANT HARM") Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx aligned (A.1.) or eligible (A.2.), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		0.00	0.00%														0.00%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.00	0.00%														0.00%		
of which enabling																			
of which transitional																			
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Collection and transport of non-hazardous and hazardous waste	2.3 CE	-	0.00%														0.02%		
Manufacture of aluminium	3.8 CCM	42.98	0.01%														0.04%		
Manufacture of iron and steel	3.9 CCM	6,311.68	1.26%														0.64%		
Manufacture of automotive and mobility components	3.18 CCM	8,302.74	1.66%														0.00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	1,831.08	0.37%														0.04%		
Construction, extension nd operation of waste water collection and treatment	5.3 CCM	151.50	0.03%																
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	172.14	0.03%														0.00%		
Construction of new buildings	7.1 CCM		0.00%														0.35%		

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (“DO NO SIGNIFICANT HARM”)									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of CapEx aligned (A.1.) or eligible (A.2.), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
Renovation of existing buildings	7.2 CCM / 3.2 CE	2,037.89	0.41%														0.44%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	612.67	0.12%														0.03%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5 CCM	133.19	0.03%														0.02%		
Installation, maintenance and repair of renewable energy technologies	7.6 CCM	1,878.61	0.38%														0.12%		
CapEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		21,474.48	4.29%														1.70%		
CapEx of Taxonomy-eligible activities Total (A.1 + A.2)		21,474.48	4.29%														1.70%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		478,885.52	95.71%																
Total		**500,360.00**	**100.00%**																

CAPEX PROPORTION / TOTAL CAPEX

	Aligned Objective	**Eligible Objective**
CCM	0.00%	4.29%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.41%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

The regulation requires reporting the contribution of the same activity to multiple objectives in the case where the descriptions (for eligibility) are the same or the criteria for substantial contribution (for alignment) are met for each objective. Specifically:

- For the CE, activities 3.2 are the same as 7.2 of CCM.

Proportion of Operating Expenses from products or services associated with Taxonomy-aligned economic activities – Disclosure for the Year 2024 (Data in €/k)

Table 10

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ("DO NO SIGNIFICANT HARM")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx aligned (A.1.) or eligible (A.2.), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		-	0.00%																
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%																
of which enabling																			
of which transitional																			
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of aluminium	3.8 CCM	1,148.41	0.40%														0.43%		
Manufacture of iron and steel	3.9 CCM	10,158.40	3.58%														4.35%		
Manufacture of automotive and mobility components	3.18 CCM	1,610.66	0.57%														0.00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	110.64	0.04%														0.05%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM	174.70	0.06%														0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	123.08	0.04%														0.08%		
Freight transport services by road	6.6 CCM	–	0.00%														0.03%		
Renovation of existing buildings	7.2 CCM /3.2 CE	1,049.42	0.37%														0.00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	189.94	0.07%														0.02%		

Proportion of Operating Expenses from products or services associated with Taxonomy-aligned economic activities – Disclosure for the Year 2024 (Data in €/k)

Table 10

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ("DO NO SIGNIFICANT HARM")									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of OpEx aligned (A.1.) or eligible (A.2.), year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		K €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)		-	0.00%																
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	0.00%																
of which enabling																			
of which transitional																			
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of aluminium	3.8 CCM	1,148.41	0.40%														0.43%		
Manufacture of iron and steel	3.9 CCM	10,158.40	3.58%														4.35%		
Manufacture of automotive and mobility components	3.18 CCM	1,610.66	0.57%														0.00%		
Construction, extension and operation of water collection, treatment and supply systems	5.1 CCM	110.64	0.04%														0.05%		
Construction, extension and operation of waste water collection and treatment	5.3 CCM	174.70	0.06%														0.00%		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5 CCM	123.08	0.04%														0.08%		
Freight transport services by road	6.6 CCM	–	0.00%														0.03%		
Renovation of existing buildings	7.2 CCM /3.2 CE	1,049.42	0.37%														0.00%		
Installation, maintenance and repair of energy efficiency equipment	7.3 CCM	189.94	0.07%														0.02%		

Table 11

Activities related to nuclear energy		
1.	The company engages in, finances, or has exposures to the research, development, demonstration, and implementation of innovative plants for the generation of electricity that produce energy from nuclear processes with a minimal amount of waste from the fuel cycle.	NO
2.	The company engages in, finances, or has exposures to the safe construction and operation of new nuclear plants for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and improvements to their safety, using the best available technologies.	NO
3.	The company engages in, finances, or has exposures to the safe operation of existing nuclear plants that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and improvements to their safety.	NO

Activities related to fossil gases		
4.	The company engages in, finances, or has exposures to the construction or management of plants for the production of electricity that use fossil gas fuels.	NO
5.	The company engages in, finances, or has exposures to the construction, refurbishment, and management of combined heat/cold and electricity generation plants that use fossil gas fuels.	NO
6.	The company engages in, finances, or has exposures to the construction, refurbishment, and management of heat generation plants that produce heat/cold using fossil gas fuels.	NO

3.3 ENVIRONMENT

E1 - CLIMATE CHANGE

E2 - POLLUTION

E3 - WATER AND MARINE RESOURCES

E4 - BIODIVERSITY AND ECOSYSTEMS

E5 - CIRCULAR ECONOMY

E1 - CLIMATE CHANGE

E1 GOV-3 INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies.

In particular, the Brembo's energy managers, along with the VPs Operations, Plant Directors / Plant Managers, and all plant personnel, are incentives through specific monetary rewards tied to the development of new energy efficiency projects. Promoting energy savings — reflected in the rational use of energy and subsequent reduction in consumption — is a collective effort that engages all operational areas within the Group. Each area has been assigned specific targets to contribute to Brembo's overarching energy efficiency goals.

Moreover, each year, the corporate executive team is assigned targets related to enhancing sustainability as part of the short-term incentive plan (STIP). The beneficiaries of the STIP include Executives, Managers, and key employees of Brembo N.V., as well as the North America / China President & CEOs, Country General Managers, first-line management in Group countries, and other individuals in significant roles. Additionally, in 2022 Brembo introduced a new long-term incentive plan (LTIP): the 2022-2024 LTIP. The LTIP beneficiaries include not only the Executive Chairman and the Chief Executive Officer but also a selected group of approximately 60 members from the Group's management team, reflecting the complexity and responsibilities of their roles.

The inclusion of "ESG" (Environmental, Social, and Governance) metrics within the objective form dedicated to Top Management ensures the application of a sustainable business model in the long term. This has led Brembo to be recognised by CDP (Carbon Disclosure Project) as one of the world's leading companies for its commitment and ability to respond to climate change and water resource management.

Below is a table showing the percentage of remuneration associated with climate-related considerations.

Table 12

Remuneration linked to climate-related considerations	u.m.	2024
Percentage of remuneration linked to climate-related considerations	%	10

SUSTAINABILITY INDEX

Both the short-term Incentive Plan (STIP) and the long-term Incentive Plan (LTIP) include a group sustainability index based on the reduction of the company's greenhouse gas emissions. This indicator is closely linked to the Group's decarbonisation targets, thus demonstrating Brembo's increasing commitment to achieving excellent economic and financial performance without compromising the Company's core values, such as respect and protection of the environment. The "sustainability index"[23] — which was established in 2017 — still remains the metric chosen for measuring and monitoring the Group's performance in sustainability. In particular, this index focuses on reducing tCO_2e emissions in alignment with Brembo's medium and long-term objectives, as outlined by the COP21 guidelines. The targets can be achieved through the implementation of energy efficiency projects and by increasing the proportion of renewable energy sources. For 2024, the "sustainability index" target has been set at 20% reduction and it has achieved a value of 25.2%.

Brembo ofers non-monetary rewards, specifically through Internal Company Awards (e.g. "Brembo Excellence Awards", "Brembo Innovation Awards" (BIA) and "Brembo Sustainability Awards"). These initiatives encourage all Group employees to submit suggestions for improving efficiency and sustainability. Impactful ideas are recognized by an internal jury, and the related communicated between June and July of the following year.

E1 SBM-3 CLIMATE CHANGE IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Regarding the classification of material climate-related risks, Brembo provides a detailed explanation for each identified risk. The Group distinguishes between climate-related physical risks and climate-related transition risks. Brembo's Enterprise Risk Management (ERM) process and the Climate Change Risk Assessment (CCRA) document.

Table 13

IRO	IRO Name	Physical or Transition risk
Risk 1	Risk related to climate change with increased exposure to natural catastrophes and possible related unavailability of infrastructure (e.g. production stoppages, ICT services breakdown)	Physical risk
Risk 2	Risk related to extra costs following the potential application of GHG certificates mechanism	Transition risk
Risk 3	Risk related to potential negative outcome from sustainability audits conducted by clients	Transition risk
Risk 4	Risk related to external factors imposing changes/new Sustainability-related objectives	Transition risk
Risk 5	Risk related to the relationship with Clients in connection to the achievement of Net Zero objectives	Transition risk
Risk 6	Risk related to the energy transition of the automotive sector and the evolution of regulations related to climate change	Transition risk
Opportunity 1	Opportunities related to the growing demand for "green" products	Transition opportunity
Opportunity 2	Opportunities to leverage stricter regulations on competitive advantage following the implementation of stricter regulations on of product and processes	Transition opportunity

23 Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

Brembo conducted a climate change risk assessment to evaluate the Company's business resilience and the associated financial exposure to both the physical effects of climate change and the transition towards a low-carbon economy, leveraging scenario analysis and forecasting tools. The aim of the assessment was to comprehend potential vulnerabilities of the Group sites concerning physical risks and to identify meaningful insights – opportunities and risks in the medium/long term – that could constitute valuable inputs in defining and updating the Group's strategy. The assessment scope included Brembo and selected key supppliers' sites.

To address physical risks, a detailed analysis of each potential physical risk event that could affect Brembo or the selected key suppliers' sites has been carried out, examining the potential consequences on Business Interruptions (BI) and/or Property Damages (PD), in the short term (2024) and in the medium/long term (2030/2050). The long-term analysis of physical risks was performed considering the **RCP 8.5** scenario of the IPCC ("Fossil fuelled development") which is based on various assumptions regarding emissions, policies and likelihood of achieving high temperature levels in the future.
This scenario does not assume future strengthening of policy actions and instead considers the hypothesis that governments will not pursue all announced goals. The related IPCC scenario assumes that:

- the radiative forcing continues to grow, reaching increase of 2°C by 2050 and 5°C in 2100;
- the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources;
- consumption is oriented toward energy intensive lifestyles around the world, leading to rapid growth of the global economy;
- global population reaches a peak and starts declining in the 21st century.

The assessment results on physical risks highlighted that climate exposure of proprietary sites is increasing, with a focus on tornadoes,hail hazards, and water stress. The most economic-relevant exposures are river floods (three sites exposed) and hurricanes / tornadoes / windstorms (two sites exposed), but considering the mitigators in place, the overall potential economic exposure can be considered limited. In order to evaluate and limit its exposure, the Group analyzes exposures to natural catastrophes when building new plants from greenfield or acquiring sites.

The climate change risk assessment also led to the identification of opportunities to strengthen the Group's market position, increase market share and access new product segments, as well as to identification of transitional risks primarily related to consumer behaviours and regulatory constraints aimed at reducing environmental impacts. The identified climate-related opportunities and risks have been emphasized in the IPCC **RCP 1.9** climate-change scenario, which assumes that:

- The world shifts gradually, but pervasively, towards a more sustainable path to limit temperature under 1.5°C of warming;
- Countries fully implement their national targets to 2030 and 2050, and energy demand is met mainly through renewable sources;
- Consumption is oriented toward low emissions material growth and lower resource and energy intensity.

Within the same framework of physical risk analysis, transitional opportunities and risks has been evaluated on medium/long-term analysis (2030-2050), taking in consideration the RCP 1.9 scenario and the corresponding socio-economic IPCC's SSP1 scenario ("Taking the Green Road"), which is based on various assumptions regarding future emissions, policies and economy. Additionally, the **NZE2050** scenario from the IEA has been applied to provide an in-depth analysis of the energy and automotive markets.

Brembo is dedicated to monitoring and managing its impacts, risks, and opportunities related to climate change. The company is actively committed to reducing its emissions and adapting its production activities to align with sustainable practices. This commitment extends to minimizing the environmental impacts of its operations and products, which are integral to Brembo's corporate strategy and sustainability plan. The transition to a low-emission economy is particularly relevant for the automotive sector in which Brembo operates. Indeed, the energy transition and evolving climate regulations may lead to significant investments and modifications to existing production processes, presenting both risks and opportunities for the Group. This transformation provides the chance to improve product performance and deliver value to customers.

E1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL CLIMATE-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of the Impacts, Risks and Opportunities related to the matter of climate change and energy. The material IROs are listed below.

- **Positive impact - Reduction of GHG emissions from end-users' cars thanks to the development of innovative technologies**: Brembo is committed to strengthening the development of innovative products, designed from the outset with an eco-sustainable and circular design, in favour of sustainable mobility;
- **Negative impact - Reduction in energy availability due to energy-intensive production processes**: Failure in implementing energy efficiency measures, or failure in using the most efficient technologies, can lead to excessive energy and fossil fuel consumption;
- **Negative impact - Climate change caused by greenhouse gas emissions**: Climate change is caused by greenhouse gas emissions generated by both direct and indirect activities. Direct emissions (Scopes 1 and 2) come from the consumption of fossil fuels and electricity for owned buildings and facilities, the combustion of fuels for the company fleet, and the materials used during production phases. Indirect emissions (Scope 3) come from the transportation of company products by third parties and the purchase of services, materials, and finished products from suppliers, which result in greenhouse gas emissions during their production activities due to the consumption of non-renewable energy sources and inefficiencies in energy consumption management;
- **Risk - Energy transition of the automotive sector and the evolution of regulations related to climate change**: The energy transition and evolving climate regulations may lead to significant investments and modifications to existing production processes. This could lead to increased operational costs and potential disruptions in the supply chain;
- **Risk - Increased exposure to natural catastrophes following climate change, and possible related unavailability of infrastructure, physical and technological (e.g. production stoppages, ICT**

infrastructure issues): Climate change can heighten the risk of catastrophic events such as floods, storms, and wildfires. These events can disrupt production and damage physical assets (including IT infrastructure), resulting in extra costs and possible business interruption as described in the previous paragraph;
- **Risk - Extra costs following the extension of GHG certificates system**: In the case of extension of the Cap and Trade system, there would be the possible need to purchase greenhouse gas (GHG) certificates to offset emissions can lead to additional costs. These costs may rise in the future due to stricter regulations and general increased demand for certificates, impacting the company's profitability;
- **Risk - External factors imposing changes/new Sustainability-related objectives**: External factors, such as new government regulations or stakeholder pressures, may require Brembo to adopt new sustainability objectives or modify existing ones. These changes could necessitate significant investments and adjustments to business processes, increasing operational costs;
- **Risk - Relationship with Clients in connection to the achievement of Net Zero objectives**: In case of failure in meeting clients' expectations regarding carbon reduction, Brembo may lose contractual awardings and/or suffer reputational damage, negatively impacting sales and growth;
- **Risk - Potential negative outcome from sustainability audits conducted by clients**: obtaining negative results in client audits regarding sustainability aspects represents a risk for Brembo, as it can undermine client relationships and leading to a reduction or interruption of the partnership;
- **Opportunity - Opportunities related to the growing demand for "green" products**: By investing in sustainable technologies and developing low-impact products, Brembo can attract new customers, increase market share, and enhance its reputation as a sustainability leader;
- **Opportunity - Opportunities to leverage stricter regulations on performance and carbon emissions by improving product requirements and production processes**: Stricter regulations on performance and carbon emissions offer Brembo the chance to improve product requirements and production processes. By adopting advanced technologies and optimising energy efficiency, the company can reduce operational costs, enhance product quality, and gain a competitive edge in the market.

Regarding the methodologies, assumptions, and tools used in identifying and assessing impacts, risks, and opportunities along its value chain, please refer to section ESRS 2 IRO-1 herein.

E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Brembo's Climate Transition Strategy aims to pursue the following strategic objectives:

1. **Company sustainability**: Presentation of Brembo's commitments in terms of environmental sustainability and resilient business evolution in a future low-carbon scenario.
2. **Regulatory and market context**: The transition roadmap is a tool to express Brembo's commitment in accordance with regulatory standards and international frameworks (e.g., Paris Agreement, CSRD, CDP).
3. **Concrete commitment to climate neutrality**: The objectives of the transition strategy are in line the reduction of greenhouse gas emissions consistent with achieving Net Zero by 2050, as envisaged by the European Union.

More specifically, Brembo is committed to significantly reducing its greenhouse gas emissions through targets aligned with scenarios oriented toward limiting global temperature increase to 1.5°C, as stipulated by the commitments made by the United Nations at the COP21 in Paris and the Net Zero criteria of the Science Based Targets initiative (SBTi). It should be noted that Brembo is not part of the EU Paris-aligned Benchmarks.

These targets are set within a short-term horizon to 2030 and a long-term horizon extending to 2040. The latter, or broader horizon, compared to medium-term industrial plans, demonstrates Brembo's foresight and ambition to precede the European Union's commitments to carbon neutrality by 2050. Brembo plans to submit its targets to the SBTi for validation.

For 2030 the objective is to achieve an absolute reduction of 42% in Scope 1 and Scope 2 market-based emissions compared to 2020 levels. This will be accomplished through a significant commitment to the use of renewable energy, leading to a total reduction in emissions from purchased electricity by adopting 100% renewable energy sources. Additionally, an absolute reduction of 42% in Scope 3 emissions is also anticipated compared to 2020 levels.

Looking ahead to 2040, the intensifies further. The goal is to reach a 90% reduction in Scope 1 and Scope 2 market-based emissions compared to 2020 levels. Scope 3 emissions target sees an absolute reduction of 90%. Finally, regarding residual emissions, those that cannot be reduced, (up to a maximum of 10% compared to 2020) will be neutralised through offset interventions that certify the permanent removal of CO_2 from the atmosphere.

These objectives reflect Brembo's commitment to a transition in line with the principles of a global roadmap for a Net Zero future. Moreover, in the coming years Brembo is committed to evaluating its locked-in emissions by conducting a study of the elements that could compromise the achievement of reduction targets.

Regarding the involvement of the transition plan by the administrative, management and supervisory bodies, the progress of Brembo's status towards the roadmap to Net zero is presented during the Board of directors meeting. A clear overview of the current data for Scope 1, 2 and 3 emissions is provided, along with future projections for the coming years. Specifically, assessing Brembo's position in relation to its goals is essential for highlighting the need for actions or investments in specific sectors and emission factors. Brembo is committed to implementing initiatives aimed at reducing its Scope 1, Scope 2, and Scope 3 emissions in order to achieve the climate targets established for 2030 and 2040. These activities involve assessing the feasibility of installing low-impact energy self-production facilities, such as photovoltaic, purchasing renewable energy certificates, upgrading machinery and utilities in its plants to more energy-efficient and less emission-intensive alternatives, and continuously enhancing the engagement of its supply chain through training activities and the establishment of climate-related requirements.

The information related to Brembo's objectives or plans (CapEx, CapEx plans, OpEx) that Brembo has for aligning its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139, as well as an explanation of how the transition plan is embedded in and aligned with the Company's overall business strategy and financial planning, has not been disclosed with regard to financial the year 2024.

E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Group has a structured system of policies and procedures aimed at managing the impacts, risks, and opportunities related to the prevention and monitoring of climate change and energy topics. The policies adopted by the Group not only aim to minimise negative environmental impacts but also to identify and exploit potential opportunities to continuously improve its practices.

Brembo has drafted the **environment and energy policy** to manage all the main environmental issues applicable to the Company in a transversal manner. In addition Brembo has developed its sustainable procurement policy to promote the culture of sustainability related to both environmental and social topics throughout the value chain. Please refer to the following table for an extended description of the contents and structure of the said policies.

Table 14

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
ENVIRONMENT AND ENERGY POLICY				
In line with the goals of the Paris Agreement to keep the increase in the planet's temperature below 1.5°C, Brembo aims to constantly reduce the CO_2 footprint of its products and processes, as well as those of the supply chain. This is primarily achieved by promoting the abandonment of fossil resources, favouring renewable ones, and maximising the energy efficiency of its processes. Additionally, guided by the principles expressed by the Task Force on Climate-related Financial Disclosure (TCFD), Brembo identifies its physical and transitional risks, as well as the opportunities arising from the transition to a low-carbon economy.	Brembo has decided to apply the environmental and energy policy at the corporate level, including all plants.	The Chief Executive Officer of Brembo is responsible for the implementation of the global procedure for climate change and the environmental and energy policy, while local Plant Directors / Plant Managers are responsible for local procedures.	In light of the climate scenario of recent years and the growing interest of stakeholders in environmental and sustainability performance, Brembo has developed and maintains an Environmental Management System compliant with ISO 14001:2015 and ISO 50001:2018 standards. Brembo's environmental and energy policy is structured to comply with these standards. The policy also makes reference to the Paris Agreements and TCFD principles.	All those involved in the Group's activities, such as employees, contractors, suppliers, customers, and shareholders, can access Brembo's environmental and energy policy through Company's website and in all production areas of Brembo's plants.
SUSTAINABLE PROCUREMENT POLICY				
The Brembo Group is committed to promoting a culture of sustainability and ensuring responsible and sustainable procurement. Suppliers are required to adopt environmental protection policies based on the LifeCycle Assessment (LCA) principle and reduce CO_2 emissions throughout the product life cycle. Suppliers must develop an ISO 14001-compliant environmental management system, optimise the use of natural resources, reduce the use of fossil energy, and properly manage waste. Additionally, Brembo requires transparency on emissions and the implementation of effective measures to reduce them.	The policy is distributed to the main global Brembo suppliers, requiring suppliers to reduce CO_2 emissions and adopt sustainable practices throughout the product life cycle.	The Purchasing team is responsible for the update of the policy	The reference standards include ISO 14001 certification for environmental management systems and the OECD guidelines for supply chain due diligence.	Published on Brembo's website and on the Company's Intranet. In addition, Brembo shares the policy and requirements with suppliers through direct communications and requires transparency and collaboration for monitoring emissions and adopting sustainable measures.

Brembo's environment and energy policy addresses the company's commitment to mitigating climate change by reducing its GHG emissions, adapting to climate change through the identification of climate risks and the application of innovative solutions, and utilizing renewable energy resources by promoting the abandonment of fossil resources and maximizing energy efficiency.

As part of the Environmental Management System, Brembo has adopted specific procedures aimed at mitigating and preventing the emission of greenhouse gases from production plants, and in particular:

Brembo procedure "**Management and Monitoring of Greenhouse Gases**" establishes the requirements for the collection and accounting of greenhouse gases (GHG) emitted by production sites, ensuring relevance, completeness, consistency, transparency, and traceability. Risk management includes the appointment of a Process Owner (PO) and the definition of basic principles for the construction of the GHG inventory. Emissions are divided into scope 1, scope 2, and scope 3. The procedure includes the management of site and group data, the calculation of emissions for each scope, and the periodic verification of data. Additionally, Brembo sets objectives for reducing greenhouse gas emissions and a Sustainability Index[24] to reduce the carbon footprint.

24 Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

E1-3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Brembo actively prevents negative material impacts and risks and fosters positive material impacts and opportunities concerning climate change (described in section IRO-1) through different actions.

First of all, in order to achieve Net Zero emissions, Brembo has established a Road Map that is continuously refined in response to technical, technological, and market developments. This Road Map encompasses the following actions:

1. **Advanced Monitoring**: Implementation of the Brembo Energy Platform, which utilizes smart factory principles to monitor and optimise energy consumption across key factory utilities.
2. **Replacement of Obsolete Systems**: Adoption of advanced technologies that offer high energy efficiency, thereby reducing the consumption of non-renewable resources.
3. **Dedicated Budget**: Allocation of funds during the investment planning phase specifically aimed at enhancing energy efficiency and reducing emissions.
4. **Losses Reduction**: Targeted initiatives, such as identifying and mitigating compressed air leaks, implementing automatic shutdowns of systems during non-productive periods, and recovering heat from compressor cooling circuits.

To ensure the effective implementation of this strategy and alignment with established objectives, the Environment and Energy area coordinates a working group that includes all relevant company functions. This Group collaborates in various ways to carry out improvement initiatives focused on reducing CO2eq emissions.

Since 2015, Brembo's climate change policy has set progressively ambitious goals aligned with the UN commitments from the Paris COP21 to address the effects of climate change. To tackle climate change, Brembo has developed a strategy with actions aimed at achieving short, medium (2030), and long-term (2040) greenhouse gas emissions reduction targets for the entire Group.

Specifically, Brembo has established an annual sustainability target defined as a percentage of emissions avoided through improvements, such as the efficient use of all forms of energy and the increased utilisation of renewable energy, compared to the previous year's emission levels.

In 2024, the target of reducing CO2eq emissions by 20% through improvement actions compared to the previous year's emissions was not only met but even exceeded, achieving a result of 25.2%. This success was driven by energy efficiency projects implemented across all of the Group's plants, as well as an increased share of renewable energy purchased in Poland, the Czech Republic, the US, Spain, and China.

Brembo has implemented key decarbonisation levers[25] to address emission sources directly under its control, focusing on energy consumption and production processes. The primary strategies for achieving climate goals include enhancing energy efficiency and adopting renewable energy. Brembo's approach integrates technological, operational, and organizational measures to minimise environmental impact and reach the Net Zero target by 2040 through gradual steps.

In the pursuit of energy efficiency and process optimisation, key initiatives include the implementation of the Brembo Energy Platform for real-time monitoring of energy consumption the replacement of outdated plants with advanced, energy-efficient technologies, and the allocation of a dedicated budget for sustainability efforts. Additionally, targeted actions aim to reduce losses by addressing compressed air leaks, automating shutdowns during non-productive periods, and recovering heat from cooling circuits, of which contributes to a more efficient and sustainable operation.

As part of the transition to renewable energy, Brembo is evaluating the installation of facilities for the self-production of low-impact energy, including photovoltaic. The Company has purchased renewable electricity to cover 83% of its electricity consumption by 2024 and aims to achieve 100% coverage by 2030, effectively eliminating Scope 2 emissions.

Finally, Brembo is dedicated to innovation and environmental standards by establishing sustainability criteria for new plants and machinery from the design phase. The Group emphasize eco-sustainable products through innovative low-emission solutions and increased use of recycled raw materials to minimise the product life cycle's impact. Additionally, Brembo collaborates with different suppliers to reduce their Scope 1 and Scope 2 emissions, fostering sustainability strategies that align with Brembo's corporate objectives. To date, there are binding requirements only for Scope 2, while for Scope 1, Brembo requests that suppliers undertake decarbonization actions in line with the sustainable procurement policy.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024. However, investments related to climate change mitigation and energy efficiency are reflected in the disclosure related to the European Taxonomy regulation.

E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Brembo has established a set of measurable, outcome-oriented, and time-bound targets in its Transition Plan to effectively manage negative impacts and risks while promoting positive outcomes.

In line with the UNFCCC Paris Agreement's goal of limiting global temperature rise to below 1.5 °C, Brembo aims to achieve Net Zero emissions by 2040. This ambitious target is supported by a comprehensive roadmap designed to progressively reduce Scope 1, 2, and 3 greenhouse gas emissions.

Central to this strategy is the transition away from fossil fuels, the promotion of renewable energy sources, and the enhancement of energy efficiency across its processes.

By 2040, Brembo aims to achieve the following targets:

- Reduce absolute Scope 1 and market-based Scope 2 emissions by 90% compared to 2020 levels.
- Reduce absolute Scope 3 emissions by 90% compared

25 Specific data about the achieved and expected GHG emission reductions, has not been disclosed with regard to 2024 reporting year.

to 2020 levels.
- Neutralise absolute emissions by a maximum of 10% compared to 2020 levels.

Moreover, Brembo set intermediates targets to be achieved by 2030:

- Reduce absolute (market-based Scope 2) indirect emissions by 100%.
- Ensure that 100% of electricity used comes from renewable sources.
- Reduce absolute Scope 1 and market-based Scope 2 emissions by 42% compared to 2020 levels.
- Reduce absolute Scope 3 emissions by 42% compared to 2020 levels.

These targets are relative and are measured in tonnes CO_2eq. The baseline values in 2020 were:

- Scope 1 and Scope 2: 371,903 tonnes of CO_2eq;
- Scope 3: 1,666,245 tonnes of CO_2eq.

Table 15

Target (34a e 34b)	Base Year	Current progress	Current progress u.m.	Absolute value of total GHG emissions reduction
Total GHG	**2,038,735**	**2,309,982**	**Tonnes of Co2eq**	**+271,247**
Scope 1	73,755	108,135	Tonnes of Co2eq	+34,380
Scope 2 (location-based)	480,860	530,752	Tonnes of Co2eq	+49,892
Scope 2 (market-based)	298,736	116,268	Tonnes of Co2eq	-182,468
Scope 3	1,666,245	2,085,578	Tonnes of Co2eq	+419,333

2020 was chosen as the baseline is primarily due to the fact that it was the most recent year with the data present and structured. Brembo intends to update its baseline next year.

In terms of methodologies and key assumptions, the targets were established in alignment with the Science-Based Targets initiative (SBTi) Net Zero criteria, aimed at limiting the global temperature increase to well below 1.5°C. The company plans to submit its targets for validation to the SBTi.

Moreover, they were not set following conclusive scientific evidence, and only internal stakeholders have been involved in their definition. Since their adoption of the target, no changes have been made and the actual performance is in line with the defined targets.

Table 16

Target	Decarbonisation levers (34f, 16b)	Science-based target (34e)	Compatibility with limiting global warming (34e)	If yes, an explanation of that compatibility (16a)
Reduction Scope 1+2 (-42%) by 2030	Self-production of energy; purchase of green electricity certificates, electrification of the processes, Sustainable Design, Eco-sustainable Products	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -42% reduction in 2030 is align to reach the Net Zero goal by 2040
Reduction Scope 3 (-42%) by 2030	Supply chain involvement: Brembo actively collaborates with its suppliers to reduce their Scope 1 and Scope 2 emissions, encouraging them to adopt sustainability strategies aligned with corporate objective; Increase in the use of secondary materials	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -42% reduction in 2030 is align to reach the Net Zero goal by 2040
Reduction Scope 1+2 (-90%) by 2040	Self-production of energy; purchase of green electricity certificates, electrification of the processes, Sustainable Design, Eco-sustainable Products	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing the remaining 10% by purchasing carbon credits
Reduction Scope 3 (-90%) by 2040	Supply chain involvement: Brembo actively collaborates with its suppliers to reduce their Scope 1 and Scope 2 emissions, encouraging them to adopt sustainability strategies aligned with corporate objective; Increase in the use of secondary materials	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing also the remaining 10% by purchasing carbon credits
Neutralising the 10% remaining emissions of Scope 1 and 3 by 2040	Purchase of carbon credits	Yes	Yes	This target is compatible with limiting global warming to 1.5 degrees as it follows the Science Based Targets framework, and the trajectory leading to a -90% reduction in 2040 is align to reach the Net Zero goal by 2040, neutralizing also the remaining 10% by purchasing carbon credits

E1-5 ENERGY CONSUMPTION AND MIX

The following table provides a comprehensive overview of energy consumption of the Group for the years 2022, 2023, and 2024, expressed in megawatt-hours (MWh). It captures the dynamics of energy sourcing, detailing the consumption patterns across various fuel types, including fossil fuels and renewable sources.

Table 17

Energy consumption and mix[26]	u.m.	2024	2023	2022
Fuel consumption from coal and coal products (38a)	MWh	81,642	79,512	75,851
Fuel consumption from crude oil and petroleum products (38b)	MWh	35,147	33,057	15,044
Fuel consumption from natural gas (38c)	MWh	298,075	298,184	317,356
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (38e)	MWh	197,111	287,763	333,305
Total energy consumption from fossil resources (37a)	MWh	611,975	698,516	741,557
Percentage of fossil sources in total energy consumption (AR 34)	%	40	44	50
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (37cii)	MWh	919,810	873,225	742,481
Consumption of self-generated non-fuel renewable energy (37ciii)	MWh	1,007	755	549
Total energy consumption from renewable sources (37c)	MWh	920,817	873,980	743,030
Percentage of renewable sources in total energy (AR 34) consumption	%	60	56	50
Total energy consumption related to own operations (37) (2)	**MWh**	**1,532,791**	**1,572,496**	**1,484,587**

Table 18

Energy intensity from activities in high climate impact sectors	u.m.	2024
Total energy consumption from activities in high climate impact sectors (41)	MWh	1,532,791
Net revenue[27] from activities in high climate impact sectors used to calculate energy intensity	€ millions	3,841
Energy intensity from activities in high climate impact sectors (40)	MWh/€ millions	399,06

Table 19

Reconciliation to financial statements	u.m.	2024
Net revenue[27] from activities in high climate impact sectors to calculate energy intensity and net revenue[27] from activities other than in high climate impact sectors	€ millions	3,841
Net revenue[27] Total (Financial Statements)	€ millions	3,841

Overall, in 2024, Brembo consumed slightly more than 1,532,791 MWh of energy, representing a decrease by 2.52% compared to 2023, resulting from the implementation of energy efficiency projects and a production decline aligned with the European automotive contex.

A significant portion of this energy consumption comes from electricity, which constitutes 72.93% of the total energy use, amounting to over 1,117,928 MWh. This electricity is primarily utilised by the iron melting furnaces, with additional usage in the machining facilities and for the production of compressed air used in manufacturing processes. Furthermore, natural gas consumption, predominantly used in aluminium melting processes, totals over 298,075 MWh.

26 The categories not presented in the table related to Scope 1 (AR 34) are null in Brembo, signifying the absence of the corresponding energy sources.

27 Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024.

E1-6 GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

The greenhouse gas (GHG) emissions for Scope 1, 2, and 3 emitted by the Brembo Group are presented below.

Scope 1

Table 20

Gross Scope 1 greenhouse gas emissions	u.m.	2024	2023	2022
GHG emissions from regulated emission trading schemes (ETS)	tCO_2eq	0.00	0.00	0.00
Of which GHG emissions from regulated emission trading schemes (ETS) **(Investees)**	tCO_2eq	0.00	0.00	0.00
Gross Scope 1 GHG emissions (48a)	**tCO_2eq**	**108,135**	**107,117**	**100,927**
Of which Gross Scope 1 GHG emissions (48a) **(Investees)**	tCO_2eq	690	656	801
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (48b)	%	0%	0%	0%
Percentage of Scope 1 GHG emissions from regulated emission trading schemes **(investees)**	%	0%	0%	0%

Scope 1 greenhouse gas emissions (GHG) pertain to the direct emissions produced from sources that are owned or controlled by an organization. These emissions represent the total sum of greenhouse gases, expressed in CO_2 equivalents. For Brembo, the direct climate-altering emissions arise from facilities, assets, and vehicles that the company directly manages. This category encompasses emissions resulting from various activities, including the combustion of fossil fuels in melting furnaces, leaks of refrigerant gases from air conditioning systems, and the use of fossil fuels in the corporate fleet.

The calculation of CO_2 equivalent emissions, which encompasses CO_2, CH_4, NO_2, and HFC emissions when applicable, was conducted in accordance with the guidelines of the GHG Protocol. This calculation utilised emission factors published by various reputable sources, including:

- AIB (Association of Issuing Bodies)
- IEA (International Energy Agency)
- UK Department for Environment, Food and Rural Affairs and Department for Business, Energy and Industrial Strategy
- Eurostat
- EPA (Environmental Protection Agency)

Emissions from cooling gas leakages were also included in the calculations. This figure accounts for the amount of refrigerants released into the atmosphere, as recorded in special registers during periodic refills of air conditioning systems. In cases where such records are absent or there is no evidence of gas refills throughout the year, it is assumed that all gas contained in the air conditioning systems has been released into the atmosphere as a precautionary measure.

Scope 2

Table 21

Gross Scope 2 greenhouse gas emissions	u.m.	2024	2023	2022
Gross location-based Scope 2 GHG emissions (49a)	**tCO_2eq**	**530,752**	**597,556**	**540,466**
Of which Gross Scope 2 greenhouse gas emissions **(Investees)**	tCO_2eq	5,048	6,145	4,196
Gross market-based Scope 2 GHG emissions (49b)	**tCO_2eq**	**116,268**	**174,427**	**188,722**

Scope 2 greenhouse gas (GHG) emissions refer to the indirect emissions resulting from the generation of electricity purchased by Brembo, as well as from the heating of water/steam supplied to the Group through district heating systems. Through these purchases, Brembo indirectly contributes to the emissions generated by energy or heat suppliers.

As can be seen from the table above, the market-based scope 2 values decrease over time as Brembo continues its strategy of reducing Scope 2 emissions by purchasing an increasing percentage of renewable energy certificates, aiming to cover wiht these certificates the 100% of its consumption by 2030.

The following table presents a detailed analysis of the contractual instruments used for managing greenhouse gas emissions, expressed in tonnes of CO_2 equivalent (tCO_2eq). The contractual instruments are divided into two main categories: unbundled instruments and bundled instruments. The table shows the emissions associated with each type of instrument, along with the percentage that each represents of the total contractual instruments used.

Table 22

Contractual instruments	Emissions (tCO_2eq)	Percentage of contractual instruments (%)	Types of contractual instruments
Garantees of origin (GO)	260,912	47.8	Unbundled instruments
International renewable energy certificates (IRECs)	138,064	25.3	Unbundled instruments
Garantees of origin (GO)	78,824	14.4	Bundled instruments
Photovoltaic by third party on site PPA	810	0.2	Bundled instruments
International renewable energy certificates (IRECs)	66,978	12.3	Bundled instruments

Brembo, where economically sustainable and feasible, prioritizes the purchase of power purchase agreements (included within the GO and IREC bundled), otherwise it uses GO certificates (for countries within the European Union) and IREC certificates.

The overall Scope 2 emissions were calculated using the market-based method, which reflects the total emissions associated with electricity consumption.

Scope 3

Scope 3 greenhouse gas (GHG) emissions refer to those emissions not included in the previous categories but are nonetheless connected to Brembo's value chain. This scope comprises a total of 15 categories, of which Brembo is included 9 in its calculations.

Table 23

Gross Scope 3 greenhouse gas emissions	u.m.	2024	2023	2022
Category 1 Purchased goods and services	tCO_2eq	1,485,806	1,651,476	1,302,211
Category 2 Capital goods	tCO_2eq	136,016	134,226	192,802
Category 3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	tCO_2eq	74,994	84,319	83,959
Category 4 Upstream transportation and distribution	tCO_2eq	51,586	45,170	79,571
Category 5 Waste generated in operations	tCO_2eq	76,238	73,849	68,876
Category 6 Business travel	tCO_2eq	3,923	3,709	1,751
Category 7 Employee commuting	tCO_2eq	34,279	28,763	41,615
Category 9 Downstream transportation	tCO_2eq	189,986	172,365	142,610
Category 15 Investments	tCO_2eq	32,799	37,296	42,210
Gross Scope 3 GHG emissions (51)	**tCO_2eq**	**2,085,578**	**2,241,173**	**1,955,606**

In the calculation of Scope 3 categories, Brembo favors and uses mostly primary data; where these are not available, approximations are used, always following the indications given in the GHG Protocol. Specifically, for categories 1, 4, 5, 6, 7 and 9 of Scope 3 GHG emissions, it was necessary to rely on estimates and assumptions. These categories have a medium degree of uncertainty, primarily due to the emission factors used for quantifying category 1 and for the activity data used for categories 4,5,6,7 and 9. For the remaining categories, there is a low degree of uncertainty.

Specifically, the following methodologies were applied to Scope 3 emissions:

- Category 1: For aluminum suppliers, calculations were based on data from the current year, while for other suppliers, data from the previous year was utilized. Emissions were estimated using primary data of 190 relevant suppliers, and secondary data for all the other suppliers of goods and services . The methodology applied is the hybrid method as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol.
- Category 2: The methodology applied is the average spend-based method as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol. The figure represents the GHG emissions originated from the purchasing of new buildings, plants, machinery, industrial and commercial equipment and other assets.
- Category 3: The calculation methodology for this category includes Well-to-Tank (WTT) emissions related to electricity, district heating, and fuels, following the GHG Protocol guidelines.
- Categories 4, 5, 6, 7, and 9: The methodology applied is the distance-based method, as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol. Category 4 represents the amount of GHG emission produced by the transport of products between Brembo's factories and the transport of products to clients paid for by Brembo. GHG emissions were calculated starting from the kilometers covered by vehicles and the average weight transported. Category 5 also includes emissions from waste disposal, in accordance with GHG Protocol guidelines. Category 6 is related to employees' air and train travel. GHG emissions were calculated starting from the kilometers covered by each flight or train journey. For category 7 The figure is related to employees commuting from home to work and back. GHG emissions were calculated starting from the kilometers covered by each type of vehicle and category 9 represents the amount of GHG emission produced by the transport of products to clients paid by the clients. GHG emissions were calculated starting from the kilometers covered by vehicles and the average weight transported.
- Category 15: The methodology applied is the investment-specific method, as listed in the Technical Guidance for Calculating Scope 3 emissions by GHG Protocol. This amount represents the amount of GHG emission from equity investments of the reporting year, not already included in Scope 1 or Scope 2.

Categories that are not included in the Greenhouse Gas Inventory due to their low significance relative to the other categories based on the significance analysis carried out in accordance with the GHG Protocol Standard are as follows:

- Category 8: In case any leased asset was used by Brembo, the tonnes CO2e are included in our Scope 1 and Scope 2 figure, since Brembo has operational control over these assets.

- Category 10: This emission source is considered to be an extremely minimal portion of Brembo's overall emissions, and therefore considered as not relevant.
- Category 11: The braking system does not produce direct CO2e emissions through its use. In addition, Brembo is constantly investing in R&D to develop more sustainable brake systems that have less impact on the environment, such as braking systems designed to have a lighter weight to contribute to emission reduction of customers' vehicles on which they are installed.
- Category 12: This emission source is considered to be an extremely minimal portion of Brembo's overall emissions, and therefore considered as not relevant compared to the manufacturing of the whole final product/vehicle.
- Category 13: Downstream leased assets are not relevant to our Scope 3 emissions, since they would already be accounted for in our Scope 1 and Scope 2 inventory.
- Category 14: Brembo does not have any franchises.

Table 24

GHG intensity per net revenue[28] (AR 53 and 54)	2024	2023	%
Total GHG emissions (location-based) per net revenue[28] (tCO_2eq/€ million)	**709,31**	**764.35**	**-7%**
Total GHG emissions (market-based) per net revenue[28] (tCO_2eq/€ million)	**601,40**	**652.82**	**-8%**

Total

Table 25

Retrospective		Base year (2020)	Comparative (2023)	N (2024)	% N / N-1	Milestones and target years * 2025	2030	2050	Annual % target / Base year
SCOPE 1 GHG EMISSIONS									
Gross Scope 1 GHG emissions (tCO2eq)		**73,755**	**107,117**	**108,135**	**1%**	**N/A**	**N/A**	**N/A**	
	Of which from Investees		657	690	5%				
Percentage of Scope 1		4%	4%	5%		N/A	N/A	N/A	
GHG emissions from regulated emission trading schemes (%)		0%	0%	0%		N/A	N/A	N/A	
SCOPE 2 GHG EMISSIONS									
Gross location-based Scope 2 GHG emissions (tCO_2eq)		**480,860**	**597,556**	**530,752**	**-11%**	**N/A**	**N/A**	**N/A**	
	Of which from Investees		6,145	5,048	-18%				
Gross market-based Scope 2 GHG emissions (tCO_2eq)		**298,736**	**174,427**	**116,268**	**-33%**	**N/A**	**N/A**	**N/A**	
	Of which from BSCCB S.p.A.		0	0	0%				

28 Revenue from contracts with customers, note No. 20 of the consolidated financial statement at 31 december 2024.

Retrospective						Milestones and target years *			
		Base year (2020)	Comparative (2023)	N (2024)	% N / N-1	2025	2030	2050	Annual % target / Base year
SIGNIFICANT SCOPE 3 GHG EMISSIONS									
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)		**1,666,245**	**2,231,173**	**2,085,578**	**-7%**				
1	Purchased goods and services	1,142,975	1,651,476	1,485,806	-10%	N/A	N/A	N/A	
2	Capital goods	112,015	134,226	136,016	1%	N/A	N/A	N/A	
3	Fuel and energy-related Activities (not included in Scope1 or Scope 2)	92,654	84,319	74,994	-11%	N/A	N/A	N/A	
4	Upstream transportation and distribution	18,220	45,170	51,586	14%	N/A	N/A	N/A	
5	Waste generated in operations	58,817	73,849	76,238	1%	N/A	N/A	N/A	
6	Business travelling	639	3,709	3,923	6%	N/A	N/A	N/A	
7	Employee commuting	33,455	28,763	34,279	19%	N/A	N/A	N/A	
8	Upstream leased assets	160,428	-	-	-	N/A	N/A	N/A	
9	Downstream transportation	-	172,365	189,986	10%	N/A	N/A	N/A	
15	Investments	47,042	37,296	32,799	-12%	N/A	N/A	N/A	
Total GHG emissions (location-based) (tCO₂eq)		**2,220,860**	**2,935,846**	**2,724,465**	**-7%**				
Total GHG emissions (market-based) (tCO₂eq)		**2,038,736**	**2,512,717**	**2,309,982**	**-8%**				

Scope 1

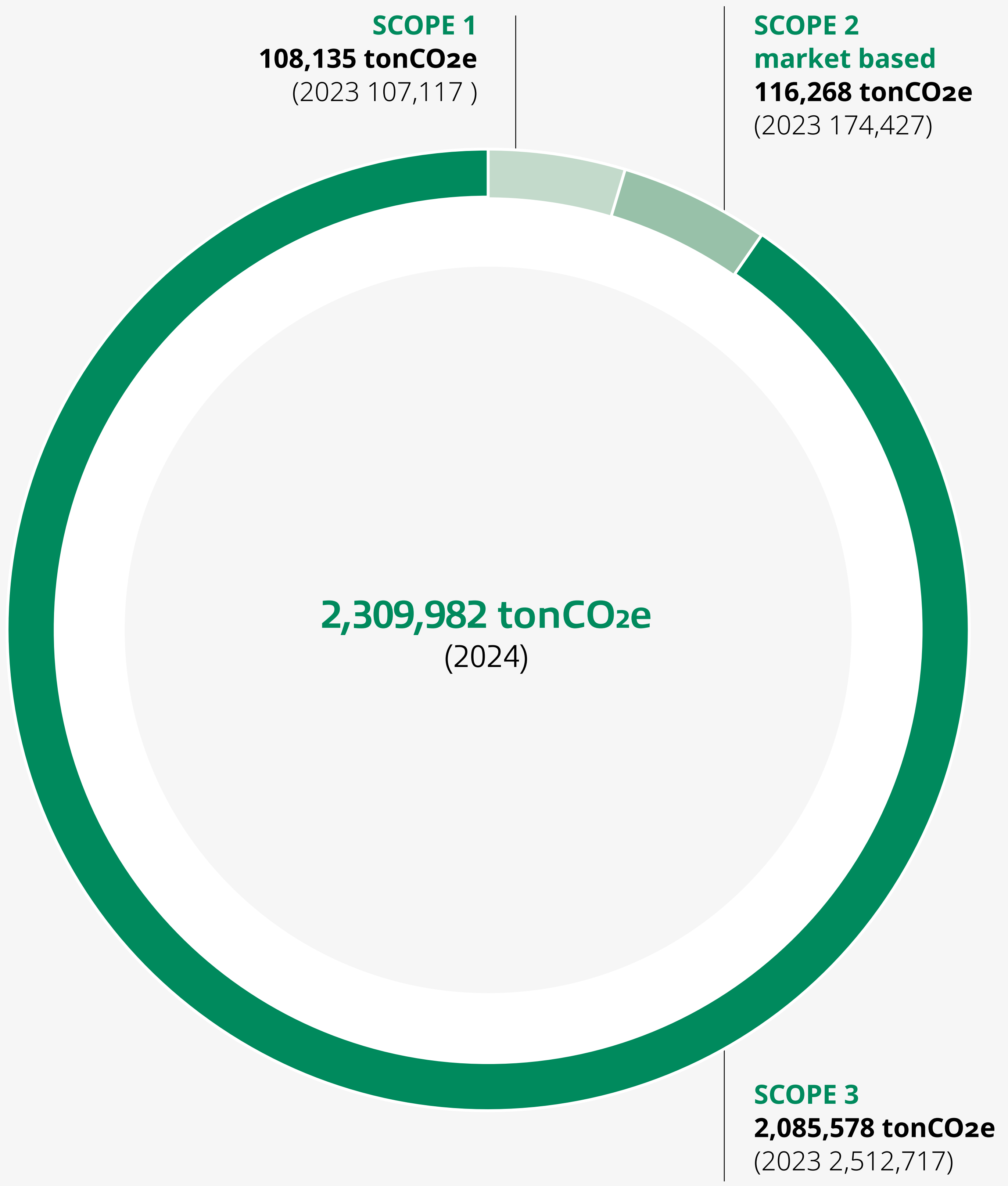
Scope 1 greenhouse gas emissions (GHG) pertain to the direct emissions produced from sources that are owned or controlled by an organization. These emissions represent the total sum of greenhouse gases, expressed in CO2 equivalents.

Scope 2

Scope 2 greenhouse gas (GHG) emissions refer to the indirect emissions resulting from the generation of electricity purchased by Brembo, as well as from the heating of water/steam supplied to the Group through district heating systems.

Scope 3

Scope 3 greenhouse gas (GHG) emissions refer to those emissions not included in the previous categories but are nonetheless connected to Brembo's value chain.



E2 - POLLUTION

E1-7 GHG REMOVALS AND GHG MITIGATION PROJECTS FINANCED THROUGH CARBON CREDITS

In order to neutralize the remaining 10% of CO_2 equivalent emissions by the year 2040, the company intends to implement measures that will either permanently remove or actively support the removal of greenhouse gases (GHGs) from the atmosphere through the acquisition of carbon credits. However, it is important to note that, at present, there are no initiatives in place specifically aimed at the removal of GHGs.

E1-8 INTERNAL CARBON PRICING

At present, Brembo does not utilise an internal price for CO_2 emissions. However, the Company is actively engaged in efforts to introduce carbon pricing within its business cases, with a target timeline of 1 to 2 years for implementation.

It is important to note that there are no critical assumptions made at this time to determine the carbon price applied, as the internal pricing scheme has yet to be established.

Additionally, since Brembo does not currently have an internal carbon pricing scheme in place, the disclosure regarding the consistency of the carbon price used in this scheme with the carbon price reflected in financial statements is not applicable.

E2 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of Impacts, Risk and Opportunities related to the matter of pollution. The material IROs are listed below.

- **Negative impact – Emissions of pollutants into the air**: The production processes of components for braking systems of cars, motorcycles and commercial vehicles generate polluting emissions such as carbon monoxide (CO), nitrogen oxides (NOx), fine particulate matter (PM), hydrogen sulphides (H2S) and sulphur oxides (SOX) which can potentially harm the environment and human health;
- **Negative impact - Pollution of water resources**: The production processes of braking systems could discharge pollutants deriving from the processing of cast iron and aluminium and/or from the painting process. These discharges may cause pollution of water resources, resulting in damage to the environment and potential risks to human health;
- **Risk - Potential regulatory non-conformity of a Brembo product**: In case of a non-conformity of a product in terms of emissions, Brembo may be exposed to extra costs, refunds, fines and interruptions to the customer's business. The same exposure would occur also in the case that such non-conformity is caused by a supplied component;
- **Risk - Environmental pollution following an accidental event**: In case of an accidental event (e.g. a fire) taking place at a Brembo's plant, environmental pollution may occur a consequence. In such cases, the competent authority could impose the interruption of activities thus leading to extra costs for decontamination and potential legal liabilities;
- **Risk - Compliance with environmental and chemical regulations, and the ability to grasp changes**: Increased environmental awareness and global agreements such as the Paris Climate Agreement lead to more restrictive regulations. Brembo faces the risk of not anticipating these changes, impacting operations with inefficiencies. Non-compliance, in relation with delays in authorizations, can cause production disruptions.
- **Risk - Acquisition of a company with polluted subsoil**: in order to expand its business, Brembo may decide to acquire a piece of land or an already existing company. Both scenario embed the risk of acquiring a productive area with polluted subsoil. In the event this is not timely discovered through the specific due diligence, Brembo may acquire liabilities and be exposed to sanctions and penalties.

In orther to identify potential impacts, risk and opportunities related to pollution Brembo has considered all its production plants and the overall value chain as described in section ESRS 2 IRO-1 herein.

E2-1 POLICIES RELATED TO POLLUTION

The Group has a structured system of policies and procedures aimed at managing impacts, risks and opportunities related to the prevention and monitoring of pollution. The policies adopted by the Group not only aim to minimise negative impacts on the environment, but also to identify and seize potential opportunities to continuously improve its practices.

The policy and specific operating procedures related to the pollution of environmental matrices are described below:

Brembo has drawn up the "**environment and energy policy**", designed to manage all the main environmental issues applicable to the Company. For the full descrition of the contents and interoperability between the various environmental ESRSs, please refer to chapter E1-2.

The details of the policy relating to the matter of pollution are listed below:

With regard to pollution, Brembo is committed to mitigating the impact of its emissions, especially those due to substances of very high concern (SVHC), on all environmental matrices, with particular attention to air, soil and water. In this regard, Brembo maintains an effective monitoring and updating system of its treatment plants in accordance with the Best Available Techniques, with the challenging goal of keeping emissions well below legislative limits. In addition, thanks to the continuous research for innovative materials and technical solutions, both in terms of process and product, Brembo aims to use less impactful substances, minimising its environmental impact both in the production and use of its products.

As part of its Environmental Management System, Brembo has adopted specific procedures aimed at mitigating and preventing the pollution of environmental matrices in its production plants, and in particular:

- The "**Management of emissions into the atmosphere**" procedure, which aims to establish the requirements and methods for the management and monitoring of polluting emissions generated by production processes and auxiliary activities.
- The "**Water cycle management**" procedure, which aims to establish the methods for managing the integrated water cycle at Brembo sites.

- The "**Management of Chemical Substances**" procedure, which aims to establish a methodology for the management of chemicals used within Italian sites, ensuring compliance with national and international chemical regulations.

E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

With regards air emissions, Brembo recognizes that pollutant emissions from its production processes may adversely affect the health of communities adjacent to its facilities and pose risks to local flora and fauna. To mitigate these impacts, Brembo has implemented an Environment and Energy Management System that establishes common requirements across all Group plants, aimed at maintaining environmental risks well below the emission limits mandated by the legislation of the countries in which it operates. Each facility has developed appropriate monitoring plans to ensure that emissions from production processes, including odorous emissions, are limited to technological thresholds. Typical parameters monitored include those emitted during melting processes (such as powders, NOx, and SOx) and those generated by mechanical processing and painting processes (powders and VOCs), with emission values governed by local legislation. To further reduce pollution risk, Brembo mandates that each emission point be equipped with abatement systems that ensure atmospheric emissions are at least 60% lower than local legislative limits. Additionally, Brembo monitors the quantity of coolants (HFC and HCFC) released into the atmosphere, calculating the corresponding CO_2 equivalent impact. The scope of these actions encompasses all emission points across Brembo's facilities, ensuring that the internal requirements for abatement systems are uniformly applied.

The key actions related to air emissions are to be completed on an annual basis, with ongoing monitoring and assessment to ensure compliance and effectiveness.

In terms of water emissions, Brembo's Environment and Energy Management System also addresses water usage. The Water Management procedure establishes requirements and restrictions to ensure the rational use of water resources and protection against potential accidental contamination. These requirements are binding for all Brembo facilities, ensuring uniform application of the procedure. Specifically, in cases of potential contamination due to water discharge, the procedure mandates limits that are up to 60% lower than those set by local regulations. Consequently, all sites are required to implement appropriate measures to maintain pollutant concentrations in discharges consistently below this threshold, utilising products with lesser environmental impact or employing advanced discharge water treatment technologies. Each plant conducts a risk and opportunities assessment for processes impacting water resources, leading to mitigation actions for areas identified as high risk or with significant opportunities. Furthermore, Brembo carries out - through the World Resource Institute's (WRI) ACQUEDUCT metodology - an annual company-wide risk evaluation to assess exposure to water quality and availability risks at each Group site. As for air emission, the scope of these water management actions applies uniformly across all Brembo facilities, ensuring comprehensive adherence to the established requirements and the actions that are to be completed on an annual basis, with continuous monitoring and evaluation to uphold compliance and effectiveness.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E2-3 TARGETS RELATED TO POLLUTION

The target established by Brembo stipulates that pollutant concentrations in air and water discharges must be maintained at levels lower than 60% of the limits imposed by local regulations. The defined target level is absolute, measured in percentage (%), indicating the specific concentration levels to be achieved. The scope of this target encompasses all Brembo plants (direct operations) worldwide, ensuring comprehensive application across the company's activities. Performance against the disclosed targets is monitored through annual measurements to ensure compliance with pollutant thresholds in air and water. The monitoring process confirms that the targets are being met as initially planned, with ongoing analysis of trends and significant changes in performance towards achieving the established targets. The target is not mandatory, and it is not required by legislation, affirming the commitment of the company to monitor these kinds of pollutants during its processes.

This target is closely aligned with Brembo's policy objectives, reflecting the company's commitment to preserving essential environmental matrices such as water, soil, and air. As part of its Environment and Energy Management System, Brembo has implemented an Air Emission, Soil, and Water Management procedure that imposes requirements and restrictions across all Group plants to ensure sustainable use and protection against pollution. This ambitious objective is supported by a robust monitoring system for the principal pollutants resulting from production processes and the installation of treatment plants in accordance with Best Available Techniques (BAT).

The methodologies and assumptions used to define the target are based on the recognition that pollutant emissions from Brembo's production may have direct negative effects on the health of adjacent communities and local flora and fauna. The Environment and Energy Management System has introduced common requirements across all Group plants to contain environmental risks well below the emission limits provided for local legislation. Each plant has established monitoring plans to ensure that emissions generated by production processes - including odorous emissions, which are not typically covered by legislative requirements - are limited to technological thresholds. Additionally, the Water Management procedure within the Environment and Energy Management System sets stringent requirements for rational water use and protection against accidental contamination.

The targets related to environmental matters are based on conclusive scientific evidence, with values derived from precise measurements conducted at plants subject to regular or ongoing spot checks. Emissions at each plant are calculated based on these measurements, taking into account the concentration of harmful substances, mass flow, and operating time.

There has been no involvement of stakeholders in the target-setting process for these material sustainability matters and there have been no changes to the targets, corresponding metrics, or underlying measurement methodologies, significant assumptions, limitations, sources, or data collection processes within the defined time horizon.

E2-4 POLLUTION OF AIR, WATER AND SOIL – GENERAL

Primary data is gathered from factories using the EE Data Collection system, which ensures a systematic approach to data acquisition. Once collected, this data is automatically transferred to the non financial reporting system for further processing. The emissions are reported by the sites that perform chimney monitoring, adhering to the necessary legislative requirements. Following this phase, the emission data is reprocessed based on the guidelines outlined in the procedure "Atmospheric emission management", ensuring accuracy and compliance throughout the process.

Table 26

		2024		
Pollutant Name[29]	u.m.	Air	Water	Soil
Ammonia (NH3)	kg	195.47	–	–
Anthracene	kg	0.12	–	–
Arsenic and compounds (as As)	kg	0.56	–	–
Benzene	kg	763.97	–	–
Cadmium and compounds (as Cd)	kg	0.56	–	–
Carbon dioxide (CO2)	kg	1,263.95	-	-
Carbon monoxide (CO)	kg	571,520.16	–	–
Chlorides (as total Cl)	kg	–	1,757.38	–
Chlorine and inorganic compounds (as HCl)	kg	483.54	–	–
Chromium and compounds (as Cr)	kg	20.65	0.01	–
Copper and compounds (as Cu)	kg	97.67	–	–
Cyanides (as total CN)	kg	–	0.04	–
Fluorides (as total F)	kg	–	0.01	–
Fluorine and inorganic compounds (as HF)	kg	107.82	–	–
Lead and compounds (as Pb)	kg	11.65	–	–
Methane (CH4)	kg	6,462.99	-	-
Naphthalene	kg	0.90	–	–
Nickel and compounds (as Ni)	kg	30.00	0.65	–
Nitrogen oxides (NOx/NO2)	kg	144,164.11	–	–
Nitrous oxide (N2O)	kg	15,919.43	-	-
Non-methane volatile organic compounds (NMVOC)	kg	54,089.80	–	–
Particulate matter (PM10)	kg	351,934.91	–	–
Polycyclic aromatic hydrocarbons (PAHs)	kg	1.56	0.03	–
Sulphur oxides (SOx/SO2)	kg	90,906.79	–	–
Total nitrogen	kg	–	14.14	–
Total organic carbon (TOC) (as total C or COD/3)	kg	–	3.06	–
Total phosphorus	kg	–	1.50	–
Zinc and compounds (as Zn)	kg	202.82	0.23	-
Total	**kg**	**1,237,932.32**	**1,777.06**	**–**

Brembo has consolidated the emissions data, encompassing the amounts from facilities over which the company exercises operational control. The measurement methodologies adopted for monitoring emissions include direct measurement through tools such as online analysers, as well as calculations based on site-specific data, thereby ensuring an accurate assessment of emissions. It is noted that it is not possible to make comparisons with previous years regarding emissions, as these are influenced by difficult-to-control variables, such as the production mix, which can significantly impact the quantity of substances emitted.

In the context of emissions reporting, Brembo has taken into account the emissions of pollutants to water, particularly in areas identified as being at water risk, including those experiencing high water stress.

Table 27

Emissions of pollutants to water in areas at water risk	u.m.	2024
Total emissions of pollutants to water occurring in areas at water risk	kg	1,731.98
Total emissions of pollutants to water occurring in areas of high-water stress	kg	1,731.98
Total water pollutants	**kg**	**1,777.06**
Percentage of total emissions of pollutants to water occurring in areas at water risk	%	97.5%
Percentage of total emissions of pollutants to water occurring in areas of high-water stress	%	97.5%

29. The substances referenced in Directive 2010/75/EU and Regulation (EC) No. 166/2006 "E-PRTR" that are not included in the preceding table are those deemed inapplicable to the processes of Brembo. Consequently, these substances are not subject to monitoring, as they are not emitted.

E2-5 SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

This disclosure about substances of concern aims at providing an understanding of actual or potential impacts related to such substances, also taking account of possible restrictions on their use and/or distribution and commercialization. These substances may be present in the auxiliaries and in the raw materials used in the production processes, or in the purchased articles which compose the final goods.

For the annual report 2024, Brembo acknowledges the Substances of Concern (SoC) as Substances of Very High Concern (SVHC) listed in the latest 2024 ECHA Candidate List, dated 07th November 2024, in accordance with Article 59 of the REACH Regulation applicable at the European level, Substances with a harmonized classification (Annex. VI. Part 3, CLP - Regulation 2008/1272 and its amendments) that meets the requirements for specific health and environmental hazards, and Persistent Organic Pollutants (according to POPs Regulation - Regulation 2019/1021and its amendments). Brembo is actively undertaking an analysis to identify a comprehensive list of these substances, especially for the Substances of Very High Concern (SVHC) at the group level, aiming to identify and prevent the possible impacts on environmental matrices and human health.

In light of all this, Brembo has made every effort to collect the necessary information from its suppliers to disclose the quantities of Substances of Concern (SoC) and Substances of Very High Concern (SVHC). However, as this involves third parties and pertains to 'value chain information,' it has proven to be challenging. This difficulty arises from various factors, including existing contractual arrangements, the level of control exercised over the suppliers and the geographical spread of the manufacturing. In particular, the collection of data has been particularly difficult in extra- European countries because outside of Europe the REACH Regulation is not applicable and entities follows a different legislative framework. Moreover, the adoption of different versions of the Globally Harmonized System (GHS), instead of the EU adaptation, in these countries may lead to a significantly different hazard classification of substances This approach will require to the Company to classify all the substances at Group level by following the EU criteria, sometime modifying the suppliers' classification.

Since a European standard methodology is missing, neither at Global level, Brembo is developing its method to gather reliable and accurate data from the supply chain. Actually, the preparation of an estimation did not yield reasonable and supportable information, as Brembo is unable to consider all the variables that characterise the semi-finished products used in the finished products. Unfortunately, sector averages or market proxies that could assist in the estimation are not available at this time. Furthermore, as stated in ESRS paragraph ESRS 1 - 5.2, paragraph 72, the incorporation of estimates must not result in information that fails to meet the qualitative characteristics of reliable data.

In light of the foregoing it has not been possible to gather complete and reliable information regarding Substances of Concern and Substances of Very High Concern for the Group during this initial year of disclosure. Since this also pertains to information that needs to be collected throughout the value chain, Brembo is utilising the transitional provision outlined in ESRS 1, Article 10-2, paragraph 133(b), which permits reporting on this information starting from subsequent years.

The data collection process is currently being enhanced and will be refined for next year's disclosure, which for year current disclosed is mostly qualitative. Brembo is collaborating with its value chain partners to gather all relevant data concerning Substances of Concern and Substances of Very High Concern.

E3 - WATER AND MARINE RESOURCES

E3 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of the following impact related to the matter of water management.

- **Negative impact - Scarcity of water resources, particularly in areas of water stress, caused by the consumption of water in the production process**: The processes of extracting bauxite, cast iron and producing braking systems could in general contribute to reduce the availability of water, particularly in areas of water stress.

In order to understand which sites are located in areas at "Extremely High Risk" and "High Risk", Brembo carried out an analysis based on WRI Aqueduct for Baseline Water Stress and WWF Water Risk Filter tools. The result stated that the owned sites located in risky areas are the following ones:

- 3 Mexican facilities located in the Rio Bravo river basin, Monterrey area
- 3 Chinese facilities, two of which located along the China's East Coast and one in Yongding He river basin, Hebei region
- 2 Indian facilities in India's East Coast and Krishna river basin
- 1 North American facility in North Atlantic Coast river basin, New Jersey
- 1 Italian facility in Po river basin
- 3 Spanish facility along the South-East Coast
- 1 Polish plant in Oder river basin

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along Brembo's value chain, please refer to section ESRS 2 IRO-1 herein.

E3-1 POLICIES RELATED TO WATER AND MARINE RESOURCES

The Group has a structured system of policies and procedures aimed at managing the impact related to water management. The policies adopted not only aim to minimise negative impacts on the environment, but also to identify and exploit opportunities to continuously improve their practices.

Brembo has drawn up its "**environment and energy policy**", designed to manage all the main environmental issues applicable to the Company. Please refer to chapter E1-2 for the full description of the contents and interoperability between the various environmental ESRSs.

Brembo promotes the sustainable use of water resources along the entire value chain, with particular attention to geographical areas at water risk. The Company is committed to reducing water consumption by increasing reuse and recycling, minimising wastewater leakage and discharge. This goal is achieved through efficient water management practices, the adoption of innovative processes and the promotion of the use of alternative water sources, avoiding subtracting valuable resources from the local area. Brembo also recognizes that access to clean water and sanitation is a fundamental human right. Therefore, the Company ensures that all workers have access to WASH (water, sanitation, and hygiene) services at an appropriate level of standard, ensuring that their needs are met in a safe and sustainable manner.

Brembo has also developed and keeps constantly updated an Environmental Management System which includes the "**Water cycle management**" operating procedure, designed to establish the methods for managing the water cycle at all Brembo sites. In particular, the procedure addresses sustainable management of water resources in all phases of the production and auxiliary cycle, defining a process aimed at identifying water uses and consumption, determining areas of significant use and identifying opportunities for improvement. The procedure also regulates the management of pollutants in water, as reported in chapter E2-1.

Brembo has defined a strategy that promotes the rational use of water, progressively reducing its use in production processes and promoting supply from alternative sources, such as the recovery from other processes. As regards the risk of contamination of environmental matrices due to water discharge, the requirements of the procedure provides for equally stringent reuirements: the limits to be observed are up to 60% lower than those established by local regulations. As a result, all sites are required to take measures to ensure that the concentration of pollutants in the discharges consistently remains below the limits over time, for example by using products or substances with a lower impact or by adopting wastewater treatment technologies. With a view to sustainable development, Brembo is committed to understanding the environmental impact of its products and services throughout their entire life cycle, with the aim of offering the market increasingly environmentally friendly solutions, improving the environmental performance of the products a stimulus to innovation and a competitive advantage for the Company.

Furthermore, during the product design phase, Brembo adopts the concepts of circular economy to promote solutions that allow resources otherwise destined for waste to be made available again, minimising the use of virgin material.

Brembo is committed to improving the management of water resources, particularly in areas of high water stress. These areas are identified through the use of water risk assessment tools and specific geographical analyses.

Currently, Brembo operates fifteen plants located in regions classified as high water stress, all of which are governed by the Company's policies and procedures related to water management.

It is important to note that no policies or practices concerning sustainable oceans and seas have been adopted, since this aspect is not applicable to the Brembo Group's business operations.

E3-2 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Brembo is committed to managing its material sustainability matters effectively, particularly in relation to water scarcity. The Company is currently exploring alternative sources of water for its plants affected by water scarcity. Most of the plants receive water from the public network to ensure continuity of supply throughout all seasons and to prevent any business interruptions due to predictable water rationing. The scope of this action is to ensure business continuity, avoid depriving the local community of fresh water, and control water costs to maintain affordability even in emergency situations. The key implementation projects are expected to be completed by 2030. Moreover, Brembo aims to identify all locations where alternative water sources are necessary, particularly in plants located in high-risk water scarcity areas, and to determine the most efficient solutions for utilising these alternative sources.

Brembo has strategically designed its processes to avoid the need for water wherever possible. The disc machining plants have successfully transitioned to dry machining techniques, eliminating the requirement for wet cutting emulsions. Furthermore, all operations utilise closed circuit cooling systems that effectively cool the water and facilitate its recirculation multiple times. In addition to these measures, efficiency improvements have been implemented, such as installing flushing systems in toilets that reduce the volume of water used per flush.

A notable example of Brembo's commitment to sustainable practices can be seen in its Mexican cast iron foundry, where a water reuse system has been built in 2024, with the objective to use an alternative source of water, in particular from the municipal wastewater treatment facility in Monterrey.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E3-3 TARGETS RELATED TO WATER AND MARINE RESOURCES

Brembo has established measurable outcome-oriented targets to assess progress in its sustainability efforts. The target established by Brembo centres on the measurement of water flows, aiming to translate the policy statement on the "responsible use of natural resources" into concrete actions. Specifically, the goal is for all Brembo plants to achieve 100% measurement of water flows by 2025. The target is absolute and is expressed as a percentage of the measured flows. The scope of this target includes all Brembo activities, ensuring that precise measurements can be compared against both internal and external benchmarks and best practices. To meet this target, efforts will focus on installing meters in locations where they are currently absent and closely monitoring the installation programme to ensure successful achievement by 2025. The group has completed the installation of inlet water flow meters in all production plants as early as 2022 and will complete the installation of discharge and significant internal use meters this year. The accurate measurement can lead to potential water saving of 5-10%. No stakeholders were involved in the target-setting process, and there have been no changes to the targets or the associated metrics, methodologies, or assumptions.

The water targets set by Brembo are designed to allow for the detection of any abnormal consumption during operations, thereby enabling the implementation of improvement actions aimed at reducing water usage. The target relates to the reduction of water consumption, although it is not mandatory by legislation.

E3-4 WATER CONSUMPTION

The total Group's water consumption for 2024 is equal to 916,125.56 m³ (Table 30). The total water consumption in areas at material water risk, including those experiencing high-water stress, amounts to 250,432.38 m³. Additionally, the total water recycled and reused is 89,097.24 m³, while no water is currently stored.

Table 28

	u.m.	2024	2023	2022
Water consumption	m^3	916,125.56	988,880.00	966,230.00
Total water consumption in areas at water risk, including areas of high-water stress	m^3	250,432.38	242,870.00	223,210.00
Water recycled and reused	m^3	89,097.24	–	–
Water stored	m^3	0	–	–
Changes in water storage	m^3	0	-	-
Water intensity ratio	m^3/€ millions	238.51	256.91	266.25
Water withdrawals	m^3	1,599,240.01	1,620,720.00	1,569,750.00
Water discharges	m^3	683,114.46	631,840.00	603,520.00

The process of water management and monitoring is governed by common requirements outlined in the procedure "Water cycle management", which supplement the regulatory requirements specific to each country. Primary data are collected through meter readings and bills, documented by the plants, and periodically compiled in the EE Data Collection. This data is then automatically transferred to the Non-Financial Reporting (NFR) system.

Regarding recycled and reused reused water, not all plants are able to provide measurements for the volume of this water.

E4 - BIODIVERSITY AND ECOSYSTEMS

E4-1 TRANSITION PLAN ON BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL

Brembo intends to carry out a resilience analysis on its value chain (upstream) over the next 1-2 years. The Group recognizes that the extraction of raw materials can lead to deforestation and environmental pollution. Moreover, the expansion of extraction sites, along with the construction of buildings and facilities, contributes to land consumption, which may result in a loss of biodiversity. In response to these concerns, Brembo started an initial assessment of the biodiversity status in the regions where its plants are located, focusing first of all on its own operations. The aim is to identify the sites located in areas with a higher concentration of biodiversity and entailing ecosystem-related physical, transitional and systemic risks related to ecosystems, in order to implement the necessary countermeasures. The methodological approach adopted took into account the areas surrounding the Brembo's plants (in a radius between 2 and 5 km) and evaluated three different variables concerning the state of biodiversity:

1. Land Use Categories in order to identify natural, semi-natural and anthropogenic environments;
2. The presence of species considering their conservation status according to the IUCN classification[30];
3. Areas of Ecological Interest, including protected areas, Natura 2000 sites, Ramsar sites, Important Bird Areas, national parks, etc., as required by local, regional, national and international planning tools.

The results of the analysis carried out were used for the calculation of thematic indicators, combined in order to obtain a Priority Value for Biodiversity, which allows the comparison between the sites and the identification of the level of sensitivity of the area in which they are located.

Priority Index: Pi = PTi / MaxPT

where

PTi = Variable 1i * Variable 2i * Variable 3i

PT = Total Score

i = site

After identifying the sensitivity level of the areas where the sites are located and determining which plants may have the most significant impact on biodiversity, the Group outlined the necessary actions for improvement, prevention, and mitigation. The analysis did not involve stakeholder engagement.

30 International Union for Conservation of Nature.

E4 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Brembo Group, with the support of a specialised consultant, assessed the state of biodiversity in the areas surrounding of its plants, in order to identify the sites with the greatest presence of biodiversity and ecosystem-related physical, transitional and systemic risks related to ecosystems, and to implement the necessary activities. Although the Group owns sites located in or near potentially sensitive areas in terms of biodiversity, the Group's preliminary analyses indicate that the presence of the plants does not adversely affect these areas: no direct material negative impacts have been identified regarding land degradation, desertification or soil sealing, or the presence of protected species.

E4 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL BIODIVERSITY AND ECOSYSTEM-RELATED IMPACTS, RISKS, DEPENDENCIES AND OPPORTUNITIES

The double materiality assessment led to the identification of the following impact related to the matter of biodiversity.

- **Negative impact – Potential reduction of local biodiversity generated within Group's upstream value chain**: Poor management of mining activities (Bauxite for aluminium, Graphite, Coke, Calcium Carbonate) can contribute to deforestation, air and water pollution. In addition, the surface extension of the extraction sites involves land consumption. Finally, the supply of these raw materials, if managed in an unsustainable way, could affect the availability of virgin raw materials and natural ecosystems.

With regard to the methodologies, assumptions and tools used in the identification and assessment of material impacts, risks and opportunities along its value chain, please refer to the ESRS 2 IRO-1 herein.

E4-2 POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

The Group has set out its commitment to the protection and safeguarding of biodiversity in the Group's environment and energy policy, aimed at managing all the main environmental issues applicable to the Company across the board. For the extended description of the contents and interoperability between the various environmental ESRSs, please refer to chapter E1-2 policy.

Specifically, within its policy, Brembo is committed to the prevention and protection of biodiversity. In this regard, Brembo assesses exposure to biodiversity risk by ensuring that the interrelationships between environmental aspects such as climate change, water and natural resource management, as well as the sustainable development of local communities, are correctly identified and managed. All sites, including those close to natural areas, are covered by the environment and energy policy.

Due to the still exploratory analyses carried out, the Group's environmental and energy policy still does not explicitly support the traceability of products, components and raw materials with significant impacts (actual or potential) on biodiversity and ecosystems along the value chain. However, Brembo is committed to extending the analysis of its impacts on biodiversity over the next two years.

E4-3 ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Brembo has conducted a comprehensive biodiversity screening to assess key aspects of biodiversity at each of the Group's plants. This screening has provided valuable insights into land consumption, the presence of threatened animal species, and the proximity of protected areas, enabling the Company to recognise any potential risks that its activities could pose to the surrounding environment. This proactive approach allows Brembo to adopt appropriate mitigation actions where necessary. The assessment did not reveal any risk linked to biodiversity that would need the implementation of remedial actions. In light of the positive impact the Company has on biodiversity, no direct actions have been implemented to avoid, minimise or restorate negative effects. The screening was conducted in accordance with international biodiversity standards and databases, ensuring the incorporation of local knowledge as well as nature-based solutions. This included the use of resources such as Sentinel II Landcover for land use assessment, IUCN classification for the presence of species classified as at risk, and information on Natura 2000 sites, Ramsar sites, Important Bird Areas, and national parks.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E4-4 TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

Brembo has not established time-bound outcome-oriented targets related to biodiversity related to its own operations. This decision is primarily based on the understanding that biodiversity concerns are relevant to the upstream value chain, while they are not considered significant in relation to the company's direct operations. As a consequence of the expansion of the resilence analysis, measurable targets will be set also for upstream and downstream value chain areas in the next 1-2 years.

E4-5 IMPACT METRICS RELATED TO BIODIVERSITY AND ECOSYSTEMS CHANGE

ESRS 1 allows companies to not yet incorporate the value chain impact for certain metrics. Brembo have made use of this exemption. The value chain exemption can be applied during the first three reporting years.

E5 - CIRCULAR ECONOMY

E5 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment led to the identification of the following IROs, in relation to the matters of resource use and the circular economy:

- **Positive impact - Saving of primary materials by using recycled and recyclable materials**: The use of scrap as the main raw materials leads to savings in virgin raw materials and incentive the circular economy, extending the life cycle of products.
- **Negative impact - Depletion of natural resources due to the use of raw materials in the production process**: The production of braking systems affects the environment due to the consumption of non-renewable natural resources, such as the metals needed for manufacturing of brake discs and pads. The extraction and processing of these metals require the removal of large amounts of resources from the subsoil, leading to the depletion of mineral reserves;
- **Negative impact - Soil occupation and pollution due to non-virtuous waste management**: Poor waste management of along the value chain could have a negative impact on the environment, in particular on air, water and soil. Uncontrolled waste management can cause pollution, degradation of natural resources and damage to biodiversity;
- **Risk - Unavailability of raw materials/components caused by a geopolitical situation**: The unstable international geopolitical context could lead to challenges in global supply chains, thus potentially compromising the supply of raw materials for Brembo plants with consequent business interruption.

In orther to identify potential impacts, risk and opportunities related to resource use and circular economy Brembo has considered all its production plants and the overall value chain as described in section ESRS 2 IRO-1 herein.

E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

The Group has a structured system of policies aimed at managing the impacts, risks and opportunities related to the use of resources and the circular economy. The policies adopted by the Group not only aim to minimise negative impacts on the environment, but also to identify and exploit opportunities to continuously improve its practices.

Brembo has drawn up the "**environment and energy policy**", designed to manage all the main environmental issues applicable to the company across the board.
For a more detailed description of the contents and interoperability between the various environmental ESRSs, please refer to chapter E1-2 policy. With regard to the use of resources and the circular economy, Brembo details its line of action within its environment and energy policy, dealing with the issues of design, production and use of goods aimed at minimising impact throughout the entire life cycle, and implying the adoption of the concepts of Circular Economy. In this regard, Brembo is committed to minimising the production of waste and increasing waste destined for recycling/recovery/reuse, achieving the goal of eliminating waste destined for landfill. The commitment to reducing the waste of non-renewable materials is explicitly mentioned, making the Group's commitment more concrete and encouraging the classification of waste as secondary raw materials (MSM), the replacement of raw materials of primary origin with secondary raw materials, the implementation of actions to reduce waste production in all phases of the production process and the optimisation of waste management according to the "Pyramid of Waste Sources". Through its environment and energy policy, the Group also wants to ensure that the use of all environmental resources, necessary to meet its current needs, is managed responsibly so as not to damage and impoverish them for use by future generations and expresses its intention to keep the consumption of renewable resources within the limits of their replenishment.

As part of its Environmental Management System, Brembo has adopted specific waste management procedures. These procedures specifically outline, at a global level, the minimum requirements for identification, characterisation, classification, collection and storage. They provide also provide for the obligation to train staff and the qualification of suppliers, with an improvement plan aimed at reducing waste in landfills and promoting the use of secondary raw materials. In addition to the global guidelines, individual specific local operating procedures have been developed that adapt the obligations of the global procedure to local areas.

All operating policies and procedures allow Brembo to manage its impacts and risks relating to the use of resources and the circular economy.

E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning resource use and circular economy (described in section IRO-1) through different actions:

- **BY-Product Initiative**: Brembo is actively exploring opportunities to offer secondary materials generated from its processes (by-products) to various internal and external stakeholders.
- **ZWTL (Zero Waste to Landfill)**: In 2024, the Pune plant in India will implement a Zero Waste to Landfill program, aimed at diverting all waste produced at the facility from disposal. Waste materials will be sent to a third-party partner that will process them for use as fuel in cement production.
- **Emulsion Treatment System**: The Ostrava plant in the Czech Republic and the Czestochowa plant in Poland have developped a treatment system for emulsions—a mixture of cutting oil and water used in machining processes. This system will regenerate the emulsion for reuse in production. The cleaning process is set to begin in 2025.
- **Secondary Materials Usage**: Brembo has developed a new calliper made from recycled aluminium, with manufacturing scheduled to begin in 2025.
- **Circularity Measurement**: Brembo is working on establishing a method to assess the circularity of its operations by applying existing standards, such as UNI 11820.

All actions are designed to minimise the volume of materials sent to landfills, reduce the reliance on new materials, and enhance the circularity of Brembo's operations.

In any case, no specific time horizon has been established, as these initiatives are ongoing and integral to the product and process design.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

To manage negative impacts and risks, Brembo has set two measurable, outcome-oriented and time-bound targets.

The first target is to **direct 95% of the total waste produced towards recovery processes** by 2030 encouraging all plants to divert waste from landfills, reduce the extraction of new raw materials, and promote a more responsible use of resources. In particular, the target relates to waste management and the correlated actions aim to identify alternative solutions to landfill disposal while also exploring opportunities to offer materials as by-products to other entities. It is directly aligned with the objectives of Brembo's environment and energy policy and applies to all plants within the Brembo Group, excluding upstream and downstream operations. It is a relative target measured as the percentage of waste directed towards recovery processes, calculated by dividing the waste sent for recovery by the total waste produced. The base year for measuring progress is 2022, during which the baseline value indicated that 85% of the total waste produced was directed towards recovery processes. Moreover, there is an intermediate target for 2025 set at 90%.

In terms of methodologies and key assumptions, the target was established in alignment with the 5R perspective, where each "R" represents a potential area of action: Refuse, Reduce, Reuse, Repurpose, and Recycle. Its aim is to facilitate the practical implementation of a circular economy approach, as outlined by the EU Circular Economy Framework and relates to the other recovery stage of the waste hierarchy. Moreover, it was not set following conclusive scientific evidence, and only internal stakeholders have been involved in its definition. Since the adoption of the target, no changes have been made and the actual performance is in line with the defined target.

Brembo waste management is globally defined to comply with the local legislation and to facilitate the possibility to divert waste from landfill.

The second target focuses on **keeping keeping the percentage of hazardous waste produced over the years below 5%.** This target as well is directly aligned with the objectives of Brembo's environment and energy policy and applies to all plants within the Brembo Group. It is a relative target expressed as the percentage of hazardous waste produced in relation to the total waste produced. The base year for measuring progress is 2022. The target has not been following conclusive scientific evidence, and only internal stakeholders have been involved in its definition. Since the adoption of the target, no changes have been made and the actual performance is in line with the defined one.

The target relates to the increase of circular material use rate and waste management. In fact, reducing the hazardous nature of waste may facilitate the recovery process and enhance the likelihood of third parties being interested in receiving the material as a by-product. Moreover, it refers to the recycling stage of the waste hierarchy.

Both the targets are on a voluntary basis and not mandatory (not required by legislation).

E5-4 RESOURCE INFLOWS

The Group relies on the contribution of more than 6,600 businesses located in more than 15 countries throughout the world that provide essential goods and services for Brembo's industrial processes. The main raw materials purchased by the Group procures to make its products are ferrous scrap and aluminium ingots, which are used in foundries and then to manufacture discs and callipers. Brake discs are made from cast iron, mainly derived from recycled material originating from the ferrous scrap recovery chain or mechanical processing scrap.

Currently, Brembo favours primary aluminium in producing its callipers. However, in 2023, the Group started to progressively introduce the use of recycled in selected plants, increasing its share from 5% in 2023 to 18% in 2024 at a global level. As part of its ongoing efforts to increase the use of recycled materials, Brembo will extend the use of recycled to additional plants in 2025.

Furthermore, 88.84% of raw materials[31] for Brembo's own cast iron foundries — and used to manufacture the main organization's main products — is recycled and consists of ferrous and cast-iron scrap.

For Brembo's internal cast iron foundries, the recycled material content is directly measured by weight, based on the bill of materials for Brembo's products. For aluminium, the percentage of recycled content is defined within Brembo's specifications and requirements towards suppliers and recorded through their self-declarations.

In addition to raw materials, Brembo also procures a range of finished and semi-finished components, including seals, pads, small parts, chemical products and packaging materials such as cardboard and plastic, used for product packaging and distribution. Brembo is fostering the use of recycled inputs from its suppliers in the materials it procures for component production. For instance, in the highly CO_2-intensive aluminium bar supply chain, the input material contains around 59% recycled content.

Even though Brembo is increasing the percentage of recycled materials used in its production process, the company does not currently purchase recycled or certified biological materials, such as paper, cardboard, or wood, which are, however, not used as direct production inputs.

Since 2023, Brembo has been gathering data from a selected group of key suppliers to assess water usage and management in its upstream value chain. This includes information on the volume of water withdrawn, the specific sources of withdrawal, the quantity of water discharged, and the respective discharge destinations. This initiative is part of Brembo's ongoing efforts to gain deeper insights into water resource consumption across its upstream value chain, with the goal of optimizing water usage and minimizing environmental impact throughout its operations.

31 The total input recycled materials is 714,366 tonnes.

E5-5 RESOURCE OUTFLOWS

As previously stated, the main products and materials resulting from come out of Brembo's production process are discs and callipers. For some time now, Brembo has been working to apply circular economy principles to such products by using recycled raw materials or scrap that can now reach up to 90% of scraps as raw materials. The design process always considers product durability, which is continuously improved. For example, consumable components such as discs are now designed to have a lifespan equivalent to that of the vehicle itself.

This is achieved by using special coatings or materials that extend the useful life of the parts. However, concepts such as reusability, repairability, and remanufacturing are concepts not yet applicable to Brembo's products as they are subject to strict safety requirements and must comply with the highest homologation standards, which thus hinders such practices.

As such the expected durability of Brembo's products compared to the industry average is expected to be completely aligned so that the Group's callipers, discs and pads last as long as the market average.

Considering that both aluminium and cast iron are infinitely recyclable, and that they constitute the main raw material sourced by Brembo, the rate of recyclable content in Brembo's products is very high: 91.89% which means that Brembo's products can be almost entirely recycled. Packaging is not included in this computation.

To calculate the percentage in question, all recyclable materials (cast iron and alluminum) used as inputs in the production of finished products were considered and compared with the total amount of materials utilized.

The data were extracted directly from the company's collection systems, ensuring the use of primary information.

The table below illustrates the most representative waste categories of Brembo's production processes. Wastes not falling into these categories are aggregated under "other waste" items.

The waste management and monitoring process is regulated by common requirements expressed in the Waste Management Group procedure which are in addition to the regulatory ones defined at individual country level Primary data is collected by factories in working documents and periodically in EE Data Collection. The data is then automatically transferred to Non-Financial Reporting.

Table 29

		2024		
Waste generated	u.m.	Hazardous Waste	Non-hazardous Waste	Total
Waste diverted from disposal due to preparation for reuse	t	6,444	77,177	83,620
Waste diverted from disposal due to recycling	t	16,150	213,214	229,365
Waste diverted from disposal due to other recovery operations	t	3,131	137,884	141,014
Total waste diverted from disposal	**t**	**25,725**	**428,275**	**454,000**
Waste directed to disposal by incineration	t	609	16	624
Waste directed to disposal by landfilling	t	596	30,040	30,635
Waste directed to disposal by other disposal operations	t	2,354	628	2,982
Total waste directed to disposal	**t**	**3,558**	**30,683**	**34,242**
Total waste generated	**t**	**29,283**	**458,958**	**488,241**
Non-recycled waste	t	3,558	30,683	34,242
Percentage of non-recycled waste	%	12%	7%	7%

The following table presents data on hazardous and radioactive waste for the year 2024, highlighting the total amount of hazardous waste and specifying the portion of radioactive waste.

Table 30

Hazardous and radioactive waste	u.m.	2024
Total amount of hazardous waste	**t**	**29,283**
Of which total amount of radioactive waste	t	-

PEOPLE, FIRST AND FOREMOST

Supporting the professional and personal growth of each Brembo Person is at the core of everything we do. We promote diversity, inclusion, and equity, while leveraging the abilities and uniqueness of our talents. We also invest in the wellbeing of the local communities in which we operate.

3.4 SOCIAL

S1 - OWN WORKFORCE

S1 SBM-3 OWN WORKFORCE IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In the scope of this disclosure Brembo includes all individuals in its own workforce who may be materially affected by the company. This are all Brembo Group direct employees and two categories of non-employees: interns and temporary workers.

The double materiality assessment has led to the identification the Group's workforce related impact, risks and opportunities:

- **Positive impact - Development of skills and know-how through specific training activities**: The Group significantly invests in employee training, delivering numerous hours of training on technical skills and competences, organizational behaviours, health and safety, and the culture of diversity, equity, and inclusion, thereby enhancing people development and growth.
- **Negative impact – Potential injuries and/or occupational diseases of workers**: The activities for the manufacturing of braking systems, particularly in production plants, expose workers to risks of workplace accidents and/or occupational diseases.
- **Negative impact - Violation of human rights, failure to respect equal opportunities in the workplace, failure to protect employees wellbeing**: In case of non-compliance to Group practices, policies and codes (e.g. Code of Ethics, code of basic working conditions, policy on non-discrimination and diversity) there is a risk of a negative impact on both employees and non-employees on topics such as discrimination and denial of fair treatment, remuneration, benefits.
- **Negative impact - Breach of privacy and loss of sensitive employee data**: A potential failure of digital security systems can expose the Group to data breaches and cyberattacks, potentially causing privacy violations and loss of sensitive employee data.
- **Risk - employees' health and safety**: Reputational and operational risks for the Group, associated with the occurrence of incidents in the workplace.
- **Risk - potential negative outcome from sustainability audits conducted by clients**: Negative results in clients' audits regarding sustainability aspects (including human rights, health and safety, diversity and inclusion) pose a risk for Brembo, as it may impact client relationships leading to a reduction or termination of the partnership.
- **Risk - cyberattack causing system unavailability, information loss, and extortion**: The loss of sensitive employee data following a cyberattack is a potential risk for Brembo from a reputational and financial perspective, leading to costs for compensation, legal actions, and restoration of IT system restoration, where necessary.

Following the implementation of a transition plan to reduce negative environmental impacts or to reduce Green House Gases emissions, the Group has not identified any material impacts on its own workforce.

The materiality assessment carried out by the Group took into account the entire Brembo workforce. Brembo has not identified any specific category among its employees and non-employees who are more subject to risks than others or exposed to specific vulnerabilities, human rights violations, including forced labour and child labour, these have been identified as higher risk in the group's production phases (compared to administrative, commercial, and research and development activities) and in non-European countries such as China and Mexico.

As for the methodologies, assumptions, and tools used in identifying and assessing the impacts, risks, and relevant opportunities along the Group's value chain, please refer to section ESRS 2 IRO-1 herein.

Brembo acknowledges the importance of its workforce within its business model and is committed to managing the associated impacts, risks, and opportunities. Operating in an international and multicultural context, the Group emphasizes the value of diversity as a key asset, investing in projects and initiatives that promote awareness and strengthen the culture of diversity, equity, and inclusion. This includes creating opportunities for interaction and sharing among colleagues to foster the exchange of ideas and opinions. Brembo aims to actively engage employees in creating a positive, inclusive, and safe work environment, placing individuals at the center of every process and ensuring that employees feel comfortable and satisfied in their work.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

S1-1 POLICIES RELATED TO OWN WORKFORCE

The Group has a structured system of policies, procedures and codes in order to manage the impacts, risks and opportunities related to its workforce. These policies aim not only at mitigating and minimising potential negative impacts on both employees and non-employees and the related risks, but also at identifying and leveraging opportunities to continuously improve its practices and fostering a positive impact on its people.

Table 31

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
CODE OF ETHICS				
The Brembo Code of Ethics outlines the standards of behaviour to promote sustainable growth and preserve the Company's reputation, addressing child labour, fair wages and benefits, forced labour, employees' right to work and free association, discrimination, safe and healthy working environment, working hours, concern for local populations and communities, corruption and extortion, and conducting business responsibly and with respect for the environment, etc.	The code applies to the Board of Directors, Company Directors, employees, and third parties who carry out activities with and on behalf of Brembo.	The Code of Ethics is approved by the Board of Directors of Brembo N.V. and by each Board of Directors of each Subsidiary.	Legislative Decree No. 231/2001 (231 Model), Corporate Governance Code (DCGC).	Published on the Company's intranet and Group's website. The Code of Ethics is available in several languages. Posted on Company's notice boards.
CODE OF BASIC WORKING CONDITIONS				
The code is intended as a general framework that can be integrated by local laws and regulations, specific collective bargaining agreements, and other agreements freely stipulated by its workforce and the Group.	The code applies to all individuals serving Brembo in any capacity.	The code is approved by the Board of Directors of Brembo N.V.	—	Published on the Company's intranet and Group's website. Posted on Company's notice boards.
STAKEHOLDER ENGAGEMENT POLICY				
The policy provides a general framework for dialogue between the Group and its stakeholders, with particular attention to aspects related to the sustainability of the Group's strategy and its implementation.	The policy applies to the entire Group and all businesses in which Brembo operates	The policy is approved by the Board of Directors of Brembo N.V.	The policy has been reviewed pursuant to best practice provision of the Dutch Corporate Governance Code (DCGC)	Published on the Company's intranet and website.
WHISTLEBLOWING POLICY				
Brembo has established the reporting Procedure to regulate internal whistleblowing channels that ensure the confidentiality of the identity of the reporting person, the person involved, and anyone mentioned in the report, as well as the content of the report and related documentation.	The reporting procedure applies to all reports received by Brembo N.V. through the whistleblowing channel.	Chief Internal Audit Officer	Directive (EU) 2019/1937, best practice provision of the 2.6.1 of the DCGC and Legislative Decree 24/2023	Published on the Company's intranet and website.

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
HEALTH AND SAFETY POLICY				
The policy provides an overall framework to ensure the health and safety of workers. It defines the objectives, principles and commitments set by the Group, while the formalisation of specific and operational aspects, such as emergency plans and specific risks, is entrusted to individual sites.	The policy applies to the entire Group and all businesses in which Brembo operates. It is consistent with the more general Brembo Vision and expresses the desire for Brembo to be recognized as a trusted partner, appreciated by all stakeholders.	The policy is signed by the Executive Chairman	ISO 45001 standard	Published on the Company's intranet and website. Posted on the Company's notice boards.
POLICY ON NON-DISCRIMINATION AND DIVERSITY				
The policy contains guidelines on how to promote the principles of Diversity, Equity, and Inclusion ("DEI") within the organization and disseminate a solid culture relating to these aspects. The policy also outlines the Company's specific targets in the area of diversity and inclusion. It covers all aspects of the employment relationship and requires responsibility and commitment from employer, the employees, and all relevant stakeholders for its proper application.	The policy applies to the entire Group and all businesses in which Brembo operates.	The policy is approved by the Board of Directors of Brembo N.V	United Nations Universal Declaration of Human Rights, ILO Tripartite Declaration of Principles concerning multinational enterprises and social policy, OECD Guidelines for Multinational Enterprises, United Nations Global Compact Principles, International Bill of Human Right. The policy has been reviewed pursuant to best practice provision of the DCGC.	Published on the Company's intranet and Group's website. Posted on the Company's notice boards and made accessible to all employees.
MODERN SLAVERY STATEMENT				
Brembo annually publishes its modern slavery statement, outlining its commitments to human rights, including the fight against slavery and human trafficking in its direct operations and along the value chain.	The statement is applied to Brembo N.V and to Group companies to which the Modern Slavery Act applies.	The statement is approved by the Board of Directors of Brembo N.V. and by the Board of Directors of the subsidiary to which the Modern Slavery Act applies	Modern Slavery Act 2015	Published on the Company's intranet and website
PERSONAL DATA PROTECTION POLICY ("BREMBO PRIVACY POLICY")				
The policy lays down key principles relating to the protection of personal data and defines how these principles are implemented in Brembo regarding its workforce and defines the internal organization to manage privacy matters.	The policy applies to Brembo N.V. and its EU subsidiaries (including AP Racing Ltd., a subsidiary based in the UK).	Privacy Supervisory Board and the Privacy Reference Persons, with the support of the DPO.	EU General Data Protection Regulation (GDPR)	Published on the Company's intranet.

Brembo Group is committed to complying with all the laws in the various countries in which it operates. Through the adoption of the aforementioned policies, procedures and codes, Brembo aims to:

- Ensure the protection and safety of its employees, promoting corporate awareness and reducing workplace accidents and injuries.
- Guarantee fair working conditions, with the payment of fair wages, respect for the right to work, and freedom of association.
- Respect diversity and equal opportunities establishing and maintaining a discrimination-free environment.
- Create a work environment that promotes the principles of diversity, equity and inclusion, treating people fairly and equally regardless of gender, age, ethnicity, or other personal conditions or characteristics.
- Guarantee respect for human rights and eliminate every form of compulsory labour, slavery, child labour and human trafficking from its business and supply chains.
- Ensure the protection of information and personal data related to its employees and third parties, avoiding misuse and limiting data access in compliance with applicable laws and best practices for privacy protection.

Any changes or updates to these policies are periodically communicated to employees and non-employees, with regular training courses, particularly for the Code of Ethics. The company expects all its employees, collaborators, agents, business partners, and other stakeholders to operate for Brembo and participate in Brembo's projects, processes, events, or activities, establishing and maintaining a discrimination-free environment.

Brembo is committed to ensuring remedial measures in case of negative impacts on human rights, offering reporting channels such as the Legality Whistleblowing web platform and the Legality Whistleblowing mobile app. For reports related to other Brembo Group companies, the whistleblower can choose to send the report to the Parent company or to the local internal channel governed by a specific procedure, if available. The reporting procedure, available on the platform, outlines the methods for handling reports and the protections in place to ensure the safety of the whistleblower, prevent any form of reprisal. People & Organization (P&O) Managers of the People & Organization Global Central Function, present in the various organizational areas, are available to employees for any needs in this matter.

Brembo has made the safeguarding of occupational health and safety a key principle of its activity and its way of doing business. Legislative compliance and adherence to applicable requirements are a prerequisite for safe and healthy working conditions. The health and safety policy set forth is consistent with the more general Brembo Vision and expresses the desire for Brembo to be recognized as a trusted partner, appreciated by all stakeholders. Actions such as a structured prevention activity, a careful identification of hazards, a thorough assessment of opportunities and risks leading to action plans that allow for continuous improvement of performance, illustrate Brembo's commitment to ensuring safe and healthy workplaces for workers and other stakeholders. Brembo's primary objective of preventing the occurrence of accidents or work-related illnesses can be achieved by sharing responsibility for the implementation, maintenance and improvement of the Occupational Health and Safety Management System within the entire company's organization, to which everyone can contribute according to their own powers and responsibilities. At the same time, the Management System is the tool used by Brembo to continuously seize opportunities for improvement and set new and more challenging objectives. The policy establishes a comprehensive framework for ensuring the health and safety of workers. It delegates the formalization of specific operational aspects, such as emergency plans and specific risks, to additional resources like Group guidelines and site procedures and instructions. To facilitate understanding and promote widespread dissemination, the policy, along with the guidelines and site procedures and instructions, is translated into local languages.

Regarding the issue of non-discrimination and diversity, the Group has adopted the policy on non-discrimination and diversity. Please refer to paragraph S1-1. This policy aims to maintain a work environment based on respect and actively commits to combating all forms of discrimination. The conditions and personal characteristics of each individual can never, in any way, represent the basis for any act of discrimination based on gender or gender change, sexual orientation, ethnicity (ethnic origin, nationality, and national origin), age, political opinions, religious beliefs, social origin, marital status, family status, disability, or any other condition and personal characteristic.

In particular, no form of intimidation, bullying, or harassment are tolerated, whether intentional or not. Any employee who, in good faith, believes that there may have been a violation of the policy or an incitement to violate the principles contained in the policy is required to report it. Violations of the policy must be assessed from a disciplinary perspective in accordance with applicable company rules and regulations, including, where certain conditions are met, the application of specific disciplinary measures based on the severity of the situation. These measures may include corrective actions and/or disciplinary sanctions, in compliance with applicable legal, regulatory, contractual, and disciplinary frameworks.

S1-2 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Over the years, Brembo has established an active and ongoing dialogue with its internal stakeholders, grounded in the values of transparency, trust, and consensus in decision-making. This dialogue enables the Group to gain valuable insights into the relevant context and receive feedback on its operations, allowing for continuous improvement of the Company's impact both internally and externally. The main tools for engaging its workforce are: Brembo global engagement survey (GES) and the pulse survey, industrial relations, internal communication channels and campaigns, town hall meetings, engagement with regard to the Group's objectives and performance and the whistleblowing channel.

More in detail, the GES conducted every three years, involves all Group employees. The next GES is scheduled for the end of March 2025 to gather workforce perceptions. It will be followed by a thorough analysis and dissemination of the results to all employees. Based on these results, action plans will be developed and implemented to improve the identified areas. The pulse survey is a quick ad-hoc survey to assess improvements between the different GES cycles. It focuses on specific organizational areas and/or countries and assesses action plans' effectiveness. The operational responsibility for ensuring effective engagement with the workforce lies with the P&O GCF.

S1-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Brembo adopts a responsible approach in managing remedies for any material negative impacts on its employees that it has caused or contributed to. The remediation process aims to ensure that the measures taken effectively address the needs of the affected workers. The actions undertaken are evaluated with the objective of verifying that the implemented solutions have indeed resolved the identified issues. In this way, the Group ensures that the remedies provided are adequate and consistent with its social responsibility standards. Given the organizational model the company has adopted worldwide, the competent P&O Managers within the People & Organization GCF, allocated in the various organizational areas (Plants, Countries, Global Business Units, Global Central Functions) remain at the disposal of employees for any type of process-related need. Following any contact, a hierarchical escalation is activated, where necessary, leading up to the periodic People & Organization meetings among Chief People & Organization Officer, CEO and Executive Chairman, as provided in the annual Brembo Committee System. This document defines the system of meetings and committees that regulate the exchange of information and decisions within the Group, in full compliance with the variety of organizational dimensions that distinguish it (Businesses, Functions, Geographies), thus providing a structured and formalized sequence of meetings (Regional / Country Committees, Global Business Units, Global Central Functions) in which, if necessary, specific urgent and critical issues are properly addressed.

Regarding health & safety topics, Brembo provides remedies in case of potential injuries and/or occupational diseases of workers through Occupational Health & Safety Management System described in details in section S1-1.

Brembo workforce can raise concerns or needs directly mainly through the internal whistleblowing channel, described in detail in section. The management and resolution of the governance received through the channel are regulated by the whistleblowing procedure, which is published on the Company's website.

In the case of data breaches within the EU Subsidiaries, subject to GDPR rules, Brembo's management of personal data breaches policy applies. It outlines the responsibilities and procedures to ensure that such breaches are managed correctly. The policy also specifies the steps, roles, and responsibilities involved.

Any authorised personnel who detects a breach is required to promptly report any anomaly that could indicate a breach to the area Privacy Reference Person, the Privacy Supervisory Board, and the Data Protection Officer (DPO). In the event of a breach involving personal data processed on IT systems, the IT department must also be notified promptly.

In the case of a breach, the DPO supports the Brembo team in order to implement the fulfillments required by the applicable laws, such:

1. The immediate cessation of the personal data breach (if it is still ongoing).

2. Support in preparing the notification to the Data Protection Authority, if the data breach poses a risk to the rights and freedoms of individuals, to be submitted within 72 hours of Brembo becoming aware of it.

3. The evaluation and support in determining whether it is necessary to communicate the personal data breach to the affected data subjects.

For the exercise of the rights provided for by the GDPR (Articles 15-21 GDPR) each data subject (employee or any third party) can contact the DPO by contacting the Company at its address or sending an email to the specific e-mail addresses indicated in the privacy notices, broken down by the different Brembo Group's geographical areas. These email addresses are periodically checked by the DPO and the authorized Reference Person for each geographical area. The DPO is immediately activated in order to allow Brembo to manage the request and to reply within the 30-day term established by the GDPR.

Brembo maintains a register where all data breaches and all received requests from data subjects are noted and documented.

That its employees are aware of and have confidence in the structures and processes available for raising their concerns. This is evidenced by the attendance rates at training courses and the number of complaints received. Protection policies against retaliation are in place for those who use these channels. Specifically, whistleblowers are protected from any form of retaliation by specific legal provisions, including the nullification of retaliatory acts. These protections also extend to individuals who facilitate the reporting, the whistleblower's colleagues, and individuals related to the whistleblower by emotional or familial bonds up to the fourth degree, as well as entities owned by the whistleblower.

S1-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS OPPORTUNITIES ON OWN WORKFORCE

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning its own workforce (as described in the section S1-SBM3) through different actions.

The first set of actions concerns to **human rights** which affects employment practices, health and safety, security and work environment, labour relations and the treatment of vulnerable groups and minorities. Brembo has proactively identified and implemented specific processes to mitigate the impacts and risks of human rights violations in these areas. Non-compliance can lead to serious human rights infringements, resulting in significant consequences for affected individuals and communities, such as loss of freedom or degrading treatment, as well as potential repercussions for the Brembo Group, including reputational damage, sanctions, and loss of business.

Current mitigation actions:
- Adoption of a global code of basic working conditions
- Implementation of anti-slavery and anti-bribery statements and protocols
- Mandatory training for new employees on Code of Ethics
- Conducting Responsible Business Alliance (RBA) audits
- Regular self-assessment of the code of basic working conditions
- Audits performed by Internal Audit GCF, including a focus on human rights topics.

Future mitigation plans:
- A 2025 audit plan by external auditor for Brembo N.V., according to the Italian Gender Equality Certification system (UNI/PdR 125:2022)

- A three-year audit plan by the Internal Audit GCF with an emphasis on human rights.

Furthermore, Brembo implemented a series of actions related to the **training** of own workforce.
The current trend in technological innovation entails the use of automation, data analytics, artificial intelligence, software, and electronics across various company processes, both in manufacturing and non-manufacturing sectors. A potential delay in updating workforce skills could adversely affect processes, projects, and business development. For these reasons, Brembo provides to its own workforce several hours of training to ensure adequate human capital development.

Current mitigation actions:
- Strict and regular performance management system
- Talent Management System and Succession Planning
- Continuous improvement and enhancement of training and development offer managed by Brembo Academy to further support skill development and training initiatives, ensuring a competitive and innovative workforce prepared for future challenges.
- Internal R&D and Manufacturing Academies to disseminate knowledge within the Group
- Ongoing training for blue collars in Italy with the aim of promoting Industry 4.0 culture across all company levels (Life-Long Learning Hub)
- Campaign-driven skill mapping and assessment for functions/areas to develop and prioritize existing skill gap
- Partnerships in place with local universities, schools, research & development centres to develop specific courses on emerging trends.

Among the various actions adopted by the Group to address its impacts and risks, there are initiatives aimed at enhancing the **wellbeing of its employees**.

The wellbeing of Brembo employees is crucial for fostering a safe, positive, and productive working environment and ensure productivity.

Over the years Brembo has adopted remote work for different workforce categories and geographies in accordance with local laws and best practices balancing employees' flexibility and accountability, preserving the Company's culture and fostering a sense of belonging.

Current mitigation actions:
- Monitoring the implementation of the action plans derived from the last GES.
- Continuously tracking competitors in the labour market to evaluate Brembo's positioning on hybrid work.
- Maintaining and updating Brembo's hybrid work policies and procedures to ensure alignment with best practices.

Future mitigation actions:
- Conducting a new GES in 2025, followed by action plans and periodic pulse surveys.

To enhance **employee wellbeing** Brembo offered during 2024 several initiatives:

- "Brembo for You" and "Brembo for Family" conferences to promote health and wellbeing.
- Nutrition education desk.
- Psychological support helpdesk.
- Breast cancer prevention campaigns for women.
- Executive health check-ups.
- Managerial training programmes (e.g., training on unconscious bias, wellbeing, DEI).
- "Brembo Kids" programmes.
- Brembo sustainability week prioritizing eco-friendly practices and sustainable growth.
- Company seniority award.
- Scholarships award to deserving employees and children of employees.

Future mitigation actions:
- Implementation of DEI initiatives aligned with the strategic plan for gender equality.
- Enhance "Brembo for You" conference with topics like financial awareness, inclusive mindset, digital wellbeing.
- Organization wider team sport events.
- Celebrate environment days (e.g. food and used clothing collection).
- Celebrate culture days.

With regard to **diversity, equity and inclusion**, pursuant to best practice provision of the Dutch Corporate Governance Code (DCGC), Brembo defined its relevant diversity targets and achievements for which to report annually to the Dutch Social and Economic Council ("Sociaal Economische Raad" - SER). These diversity targets encompass the composition of the Board , as well as that of the Management but also other DEI aspects.

Current Mitigation actions:
- Brembo policy on non-discrimination and diversity that incorporates specific DEI targets published in July 2024.
- Establishment of a DEI committee to monitor D&I projects and track progress toward gender equality – related target achievement.
- Development of a DEI management system in accordance with established standards.
- Achieving Italian Gender Equality Certification (UNI/PdR 125:2022) for Brembo N.V.

Future mitigation actions:
- Maintain the Italian Gender Equality Certification to further enhance diversity efforts.

Regarding the risk related to **sustainability audits**, Brembo adopts and is certified according to international standards in management systems (ISO) on Quality, Environment & Energy, Health & Safety and related audits are carried out by third-party auditors. In addition, Brembo plants carry out periodic self-assessments on Sustainability topics, coordinated by Sustainability&Risk GCF; this process facilitates the monitoring of Sustainability topics at local level, collecting updated information.

In relation to **cyber-attack**, Brembo is strongly motivated to protect this data as well, and for years now has implemented an information security management system, in line with the best market practices. This commitment is also underscored by the fact that, once again, all eligible plants have confirmed the ISO 27001 certification (Information Security Management System).

It is crucial for Brembo to ensure a **safe working environment for its employees** by reducing safety risks and minimising the incidence of work-related health issues. This objective is pursued through a combination of safety training and communication initiatives, along with the research and implementation of automation to minimise man-machine interactions wherever feasible.

Current mitigation actions:
- **Safety Communication Campaign:** To stimulate awareness and recognition of the importance of promptly reporting Near Misses and unsafe behaviors. In 2025, the campaign will begin at the Italian facilities and will subsequently extend to foreign sites.
- **Testing of Innovative Safety Support Systems:** In 2024, the system was analyzed and designed, and in the first half of 2025, a Proof of Concept (POC) will

be conducted to experiment with the use of artificial intelligence as a preventive tool for accidents and hazardous situations.

- **Initiatives for Highly Dangerous Activities:** Throughout 2024, workshops were held in all regions aimed at regulating and raising awareness among the operational structures of Brembo plants to reduce risks associated with occasional and high-risk work (maintenance activities, hot work, confined spaces, etc.). Additionally, the groundwork was laid for the digitization of permits related to such activities and the standardization of risk assessment.
- **WCM Safety Pillar:** To reinforce the continuous improvement process, the development of the WCM methodology was promoted in all facilities in 2024. In almost all plants, the application has expanded from a few model areas to a broader implementation, which will see further expansion in 2025. WCM is the programme launched in 2022 focused on designing continuous improvement standard methodology for the whole industrial footprint. The method is based on Lean Manufacturing system but tailored on specific Brembo needs.
- **Automation:** The health and safety department has contributed to the investment process for automation, which significantly impacts the improvement of the risk profile of our factories. Each operation has its own five-year investment plan.
- **Ergonomics:** To address ergonomic risks, and thus injuries and potential occupational diseases, innovative initiatives were pursued in 2024 regarding the introduction of ergonomic criteria during the design phase of production lines, which will continue in 2025, along with initiatives to study the feasibility of introducing exoskeletons.

Even though this action plan requires significant operational expenditures (Opex) and capital expenditures (Capex), as of today this information is not available with the proper level of accuracy.

Brembo employs communication and automation as key strategies to mitigate the negative impacts of "work-related accidents and illnesses of workers due to inadequate working conditions", as well as to address the risk "Risk related to sustainability audits conducted by clients, with a potential negative result carried out by customers". The effectiveness of Brembo's initiatives is evaluated through internal and external audits, risk assessments, and the monitoring of incident rates, which are expected to decline alongside effective training. To identify the necessary actions in response to the potential negative impact of work-related accidents and illnesses, Brembo uses various tools, including top-down risk analysis, plant risk assessments, and the analysis of accident and near-miss trends. The Group also values the direct input of its employees by facilitating consultations and participation through health and safety committees, while considering audit results and benchmarking against action plans. Brembo is committed to ensuring that its practices do not cause or contribute to material negative impacts on its workforce by conducting periodic risk assessments focused on employee safety.

Human resources, financial resources, technological resources (BAT) are allocated to the management of Brembo's material impacts. In particular:

- Human Resources: Each facility allocates specific human resources to safety, with one person dedicated full-time and the entire team working to enhance the safety of machines and equipment.
- Financial Resources: All investments made also include a component aimed at improving the safety of new machines and equipment.

Moreover, each facility conducts an annual risk analysis to identify areas for improvement, with the goal of reducing the likelihood and/or impact of potential events.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S1-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS OPPORTUNITIES ON OWN WORKFORCE

Brembo has established several measurable, outcome-oriented, and time-bound targets to effectively manage negative impacts and risks while promoting positive outcomes.Brembo to managing negative impacts and risks, and advancing positive impacts has set several measurable, outcome-oriented and time-bound targets.

The Group is committed to achieving the following **Diversity, Equity, and Inclusion (DEI) targets** regarding gender representation[32] within the organization:

1. **Executive Directors of the Board of Directors:** aim for at least 25% representation of each gender upon the renewal of the Board of Directors in 2026.
2. **Non-Executive Directors of the Board of Directors:** strive for at least 40% representation of each gender upon the renewal of the Board of Directors in 2026.
3. **Management Cluster (Executives and Managers at Group Level):** target more than 20% representation of each gender by the end of 2028.

32 Female / Male, in compliance with both Dutch law and the Dutch Corporate Governance Code.

There are also additional DEI targets focused on promoting diversity and inclusion across Brembo's three main axes: gender, generation, and cultural background. They will be achieved through the implementation of relevant projects and initiatives for both the Group and local communities:

a. Implementation of at least five initiatives per year: unit of measurement is the number of initiatives, base year is 2022 and baseline value was five initiatives.
b. Promoting the renewal and delivery of training by overcoming unconscious prejudices (unconscious biases), and stereotypes fostering an inclusive working environment. The target is year on year and the goal is to enrich with pills dedicated to unconscious biases the 100% management training courses at a Group level.
c. Ensuring that employees remain strongly motivated to participate in company life through extensive participation in the global engagement survey.
The target is relative, and the goal is to ensure a response rate of at least 74% at the Group level in the next GES. Unit of measurement is the percentage of responses received, base year is 2021 and baseline value was 78%.
d. Maintaining a high level of engagement, measured through the GES and ad-hoc pulse surveys. The target is relative, and its goal is to ensure an Engagement Index of at least 65% by the beginning of 2025 at the Group level. The target is relative, and the unit of measurement is the percentage of the Engagement Index. The base year is 2021 and the baseline value was 66%.

All these targets are in line with the objects of the policy on non-discrimination adn diversity. Furthermore, Brembo did not engage directly with its workforce or workers' representatives in the process of defining the targets, monitoring performance against them, or identifying improvements resulting from that performance.

S1-6 CHARACTERISTICS OF GROUP'S EMPLOYEES

Considering the data up to the 31 of December 2024, Brembo counted 14,324 employees.

Table 32

		2024				
Characteristics of Group's employees - number of employees by gender	u.m.	Male	Female	Other	Not reported	**Total**
Number of employees (head count), at end of period	n.	11,715	2,609	–	–	**14,324**
Percentage of employees by gender, at end of period	%	81.8%	18.2%	0%	0%	**100%**

Table 33

		2024				
Characteristics of Group's employees - number of employees by country[33]	u.m	Male	Female	Other	Not reported	**Total**
Brazil	n.	218	13	-	-	**231**
China	n.	1,540	476	-	-	**2,016**
Czech Republic	n.	934	330	-	-	**1,264**
Denmark	n.	85	44	-	-	**129**
India	n.	1,242	30	-	-	**1,272**
Italy	n.	2,823	772	-	-	**3,595**
Mexico	n.	1,562	306	-	-	**1,868**
Poland	n.	2,101	345	-	-	**2,446**
Spain	n.	403	135	-	-	**538**
UK	n.	146	35	-	-	**181**
US North America	n.	630	112	-	-	**742**
						14,282

Table 34

		2024				
Characteristics of Group's employees - number of employees by contract type and gender, at end of period	u.m.	Male	Female	Other	Not reported	**Total**
Number of permanent employees (50bi)	n	9,485	2,037	–	–	**11,522**
Number of temporary employees (50bii)	n	2,228	572	–	–	**2,800**
Number of non-guaranteed hours employees (50biii)	n	2	–	–	–	**2**
Total	**n**	**11,715**	**2,609**	**–**	**–**	**14,324**

Table 35

		2024				
Characteristics of Group's employees - number of full-time and part-time employees, at end of period	u.m.	Male	Female	Other	Not reported	**Total**
Number of full-time employees (52a)	n	11,652	2,385	–	–	**14,037**
Number of part-time employees (52b)	n	63	224	–	–	**287**
Total	**n**	**11,715**	**2,609**	**–**	**–**	**14,324**

Table 36

		2024				
Employee turnover[34]	u.m.	Male	Female	Other	Not reported	**Total**
Number of employees who have left Group	n	2,690	442	–	–	**3,132**
Total number of employees	**n**	**11,715**	**2,609**	**–**	**–**	**14,324**
Percentage of employee turnover	%	22.96%	16.94%	0%	0%	**21.87%**

33 For 50 or more employees representing at least 10% of its total number of employees.

34 It includes number of employees who have left the company on FULL voluntary basis (i.e. employees with a permanent contract), on voluntary basis (i.e. planned end of fixed-term contract, retirement) and not on voluntary basis (i.e. dismissal).

S1-7 CHARACTERISTICS OF NON-EMPLOYEES IN GROUP'S OWN WORKFORCE

A "non-employee" is a person who is not directly employed by Brembo but can still perform activities on behalf of the company or contribute to its operations. These individuals may include temporary workers and interns.

For temporary workers, FTE is obtained by dividing the total paid hours by the number of hours worked in the month (number of working days excluding Saturdays and Sundays). The number of non-employees is reported at end of reporting period.

Table 37

		2024				
Characteristics of non-employees in the Group's own workforce by gender	u.m.	Male	Female	Other	Not reported	**Total**
Total number of non-employees (interns)	n[35]	176	101	–	–	**277**
Total number of non-employees (temporary workers)	FTE	882.12	214.65	0	0	**1,096.77**

S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

72.28% of Brembo's employees are covered by collective bargaining agreements.

Table 38

	Collective Bargaining Coverage		Social dialogue
Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50empl. representing >10% total empl)
0-19%		India	
20-39%	Poland		
40-59%			
60-79%	Denmark		Denmark
80-100%	Italy, Czech Republic, Spain, UK	Brazil, China, Mexico	Italy, Czech Republic, Poland, Spain, UK

35 The number of non-employees present at 31.12.2024.

S1-9 DIVERSITY METRICS

Brembo's top management, defined as the number of executives and managers within the Group, consists of 770 individuals, including 633 males and 137 females. This indicates that females account for 17.8% of Brembo's top management, while males account for the remaining 82.2%.

In terms of age distribution, 3,119 employees are under 29.9 years of age (21.77%), 8,759 are between 30 and 50.9 years old (61.15%), and 2,446 are over 51 years old (17.08%).

S1-10 ADEQUATE WAGES

All employees receive a fair wage that aligned with, where applicable:

- Official documents issued by the local government regarding minimum wage standards;
- Benchmarks established through collective bargaining agreements;
- Salary benchmarks supported by consultancy firms.

S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

The Brembo Academy is a corporate training school certified UNI EN ISO9001 EA37, which is also staffed by an internal trainers and certified Domain Experts, who transfer their knowledge within the Group through teaching and technical manuals. It ensures a structured, flexible and inclusive training and development offer differentiated by target population.

The training and development offer at Brembo addresses various needs across four key development areas:

1. organizational behavior and skill development;
2. technical skills relevant to Brembo's business;
3. compliance with legislative requirements;
4. Group culture.

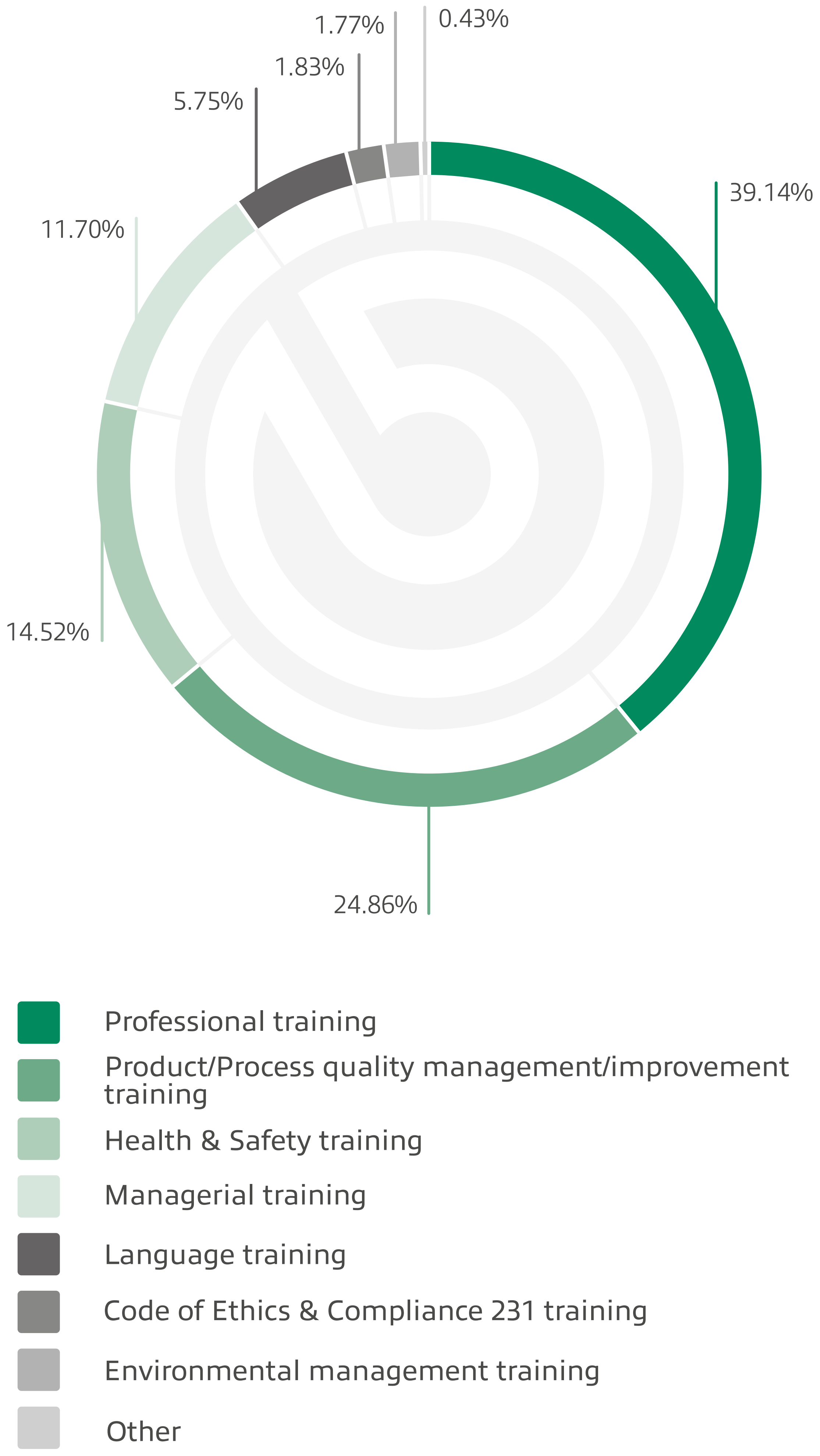
Training needs are gathered annually through the Global Training Needs Campaign and can be also integrated and updated throughout the year based on specific requests. Employees have the flexibility to select their own training courses through self-enrollment. While the training and development offer is coordinated centrally, the implementation thereof is managed by each country.

In 2024, Brembo provided an average of 23.69 hours of training per employee. Specifically, women received an average of 17.55 hours, while men received 25.06 hours of training during the year. In terms of employee categories, white-collar workers received training hours at 31.43, managers and executives at 25.34, and blue-collar workers at 20.60.

A regular performance review is conducted at least once a year, based on criteria known to both employees and their direct managers, and may include self-evaluation and direct manager evaluation.

Remarkably, 97.91% of Brembo's employees participated in regular performance and career development reviews, with 82% male eligible and 18% female eligible employees.

The subjects of these performance reviews included executives and managers (4.93%), white-collar workers (28.79%) and blue-collar workers (64.20%).



S1-14 HEALTH AND SAFETY METRICS

At Brembo, 94% of employees and interns are covered by a health and safety management system, with this percentage increasing to 97.65% for temporary workers.

No fatalities were reported in 2024, neither from work-related injuries nor from work-related ill health. On the other hand, Brembo recorded a total of 77 work-related accidents: 64 involving its own employees and 13 involving temporary workers. Considering the total number of employees and hours worked, the overall rate of recordable work-related accidents is 2.33.

In 2024, there were 8 cases of recordable work-related ill health. The combination of ill health and work-related injuries and accidents[36] resulted in 3,876 days lost for employees and 242 days lost for non-employees. No cases of recordable work-related ill health were detected among former employees.

36 The estimate made for the division of hours worked between men and women is based solely on the data from December, as is done every year. Therefore, it is important to note that slight deviations may occur if the data were considered on a monthly basis rather than using the consolidated percentage from December.

S1-16 REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION) – GENERAL

GENDER PAY GAP

Brembo usually monitors both synchronous phenomena (such as the gender pay gap) and diachronic phenomena (such as the internal labor market map). When addressing the gender pay gap, it is also important to consider Brembo's sector, which is highly male-dominant with many job profiles in STEM fields, whose university curricula are still predominantly male-dominant.

The Group's diversity initiatives aim to balance gender representation in leadership and throughout the organization, and to achieve pay equity for equal qualifications and jobs. While Brembo uphold the principle of equal pay for equal work, it is important to note that the overall figures may be influenced by gender characteristics in the sector.

Brembo is dedicated to improving data and analyses to better understand gender pay differences and their root causes. The company is preparing for the EU pay transparency directive and continuously working on identifying and reducing pay gaps within the organization. Brembo is also finalizing a standard job architecture to address inequality and minimize structural differences.

In Brembo, the gender pay gap, defined as the difference in average pay levels between male and female employees expressed as a percentage of the average pay level of male employees, stands at 2.38% at Group level.

This indicates that, on average, male employees earn 2.38% more than their female counterparts at a global level and the final percentage is calculated according to the ESRS requirements as it follows: (average gross hourly pay level of male employees – average gross hourly pay level of female employees) divided by the average gross hourly pay level of male employees.

ANNUAL TOTAL REMUNERATION RATIO

The annual total remuneration ratio is calculated by considering the ratio between the annual total remuneration for the Group's highest paid individual and the median employee annual total remuneration (excluding the highest – paid individual).

It differs from the internal pay ratio indicated in the remuneration report section (paragraph 4.5 e 4.6) because of the different calculation method.

Brembo has chosen to present the annual total remuneration ratio based primarily on the number of employees at Brembo N.V. that stands at 104,28. Brembo is a multinational company operating across three continents and multiple countries, each with varying cost of living standards, remuneration frameworks, and social contribution and taxation implications.

Including all employees within the Brembo Group to represent the annual total remuneration ratio would not accurately reflect, from a methodological perspective, the average pay and working conditions of its workforce. This is due to the fact that it would involve an excessively diverse set of incomparable elements as the denominator.

The value of annual total remuneration ratio calculated according to ESRS standards and taking into consideration the Group employees (median) as of 31 December, is equal to 185.52.

S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS –GENERAL

In 2024, Brembo did not report any incidents of discrimination, harassment, or severe human rights violations. However, there were 14 complaints were submitted through the company's whistleblowing channels for employees to raise concerns, with none reported to the National Contact Points for OECD Multinational Enterprises. As a result, Brembo did not incur any fines, penalties, or compensation for damages.

S2 SBM-3 WORKERS IN THE VALUE CHAIN IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The double materiality assessment has led to the identification of the Impacts, Risk and Opportunities related to the matter of the value chain's workers of the Group.

- **Positive impact - Transparency and supply chain involvement in sustainable practices through monitoring and training programmes:** Brembo positively contributes to the development of a sustainable supply chain in the automotive sector through the selection and engagement of its suppliers on environmental and social criteria. This method of involvement is aimed at enhancing suppliers' adoption of the best available practices, reducing their environmental and social impacts.
- **Negative impact - Workers' injuries and/or occupational diseases:** Inadequate working conditions along the upstream and downstream Group Value Chain can lead to client/supplier workers' injuries or occupational diseases, including physical harm from unsafe machinery, chronic health issues, and mental health problems due to stress and unsafe workplace environments.
- **Negative impact - Violation of human rights:** Along the complex and geographically dispersed value chain of the Group, in case of lack of monitoring of human rights compliance, improper labour practices and violations of workers' rights may occur, in particular during the phases of primary materials production and in certain specific geographies where Brembo's suppliers are located (e.g. Asia and Central America).

- **Negative impact - Failure to respect equal opportunities in the workplace:** in the event that suppliers do not implement adequate practices to guarantee equal opportunities, diversity and inclusion within their workforce, their employees may be exposed to discrimination based, inter alia, on gender, ethnicity, religion, disability, or sexual orientation.
- **Risk - Suppliers' compliance with Brembo's "sustainable procurement policy":** If Brembo's suppliers do not adhere to the environmental standards and working conditions established by the sustainable procurement policy, they may be deemed unsuitable for the supply relationship. Such scenario would also represent a risk for Brembo's reputation and business continuity.
- **Risk - Cyberattack causing the unavailability of systems, the loss of information and extortion:** the loss of sensitive supplier's data following a cyberattack is a potential risk for Brembo from a reputational and financial perspective, leading to extra costs for compensation, legal actions, and restoration of IT systems.

The Impacts, Risks and Opportunities reported above are mainly related to the upstream phase of the value chain, in particular to raw material suppliers (raw material extraction and processing phase).

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along Brembo's value chain, please refer to section ESRS 2 IRO-1 herein.

Brembo considers the relationship with its value chain and its workers an important moment for dialogue and a mutual opportunity for growth and enrichment. In this sense, the Group's strategy provides for an increasing involvement of customers and suppliers with a community perspective, as well as a synergistic contamination of skills and best practices. For this reason, Brembo is committed to prioritizing a local supply chain and selecting suppliers based on sustainability criteria, including safe workplaces and human rights.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

Workers in Brembo's value chain are divided into those in the upstream phases and those in the downstream phases. In particular, workers in the upstream phase are those involved in the production of direct and indirect materials (e.g. raw materials, components, utilities, tools, packaging) and services (e.g. painting, treatments, maintenance, logistics).

On the other hand, workers in the downstream phases, include mainly automotive manufacturers, downstream logistics services, and recovery and disposal activities. It should also be noted that the employees of Brembo's joint venture, which is a strategic supplier, are included.

S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

The Group has a structured system of policies and codes aimed at managing the impacts, risks and opportunities related to its value chain's workers. The policies adopted by the Group not only aim to minimise risks and negative impacts on workers in the value chain, but also to identify and exploit opportunities to continuously improve its practices.

Table 39

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
SUSTAINABLE PROCUREMENT POLICY				
The policy aims to promote sustainable and responsible procurement practices throughout Brembo's supply chain. In this sense, the Group requires its Suppliers to adopt them and to ensure compliance with them throughout the entire supply chain (i.e. Subcontractors). Compliance with and signing of the policy is a necessary condition for establishing and maintaining a business relationship with the Group.	The sustainable procurement policy is distributed to the main global Brembo suppliers.	The Purchasing Team is responsible for the updating the policy.	The policy is drawn up according to the values set out in Brembo's Codes of Ethics, which are inspired by the principles contained in the United Nations Universal Declaration of Human Rights, the ILO's Tripartite Declaration of Principles concerning Multinational Enterprises, the ILO's Social Policy, the OECD Guidelines for Multinational Enterprises and refers to the internationally recognised principles of the ISO 20400 standard.	Published on Brembo's website and on the Company's Intranet. In addition, Brembo is committed to adequately training its employees on the principles of the policy and encourages all suppliers to disseminate these principles through appropriate training of its employees and their suppliers.

All of the sustainability issues identified as relevant for Group value chain's workers are addressed within the sustainable procurement policy, through which Brembo asks its suppliers to, among other things:

- comply with regulatory requirements, laws and standards and ensure respect for human rights; including not to use child labour and any form of forced labour, not to tolerate any form of harassment and/or discrimination and to promote the positive value of diversity;
- protect the health and safety of its employees and the community;
- protect the security and integrity of the data and information exchanged that they use and store;

In addition to the sustainable procurement policy, the following documents also apply to workers in the value chain:

- the Code of Ethics, which specified that each Brembo supplier must comply with the values and principles expressed therein and in all the other Brembo document dedicated to suppliers, with the indication that failure to comply with these provisions may result in the termination of the supply relationship;
- the Modern Slavery Statement, that specifies the measures adopted by Brembo to eliminate slavery and human trafficking along its value chain through the implementation of specific systems and processes;
- the stakeholder engagement policy, where Brembo outlines the engagement processes in place with the workers in the value chain.

For further information on the policies mentioned please refer to paragraph S1-1.

S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

As already mentioned in the previous paragraphs, the methods of involvement and interaction with the workers in the value chain are addressed by the stakeholder engagement policy, and specifically for suppliers, also by the sustainable procurement policy, where the Group's commitment to creating a long-lasting relationship clearly emerges.

Engaging workers in the value chain is a fundamental element for Brembo for a process of mutual improvement.

In this regard for example, Brembo takes into account the perspectives of workers in the upstream value chain through supplier on-site Environmental, Social and Governance (ESG) audits. These assessments are conducted by a third-party auditor and include anonymous interviews with workers at the supplier companies[37], ensuring that their perspectives are taken into account in evaluating these companies' compliance with ethical and responsible business standards. The objective of these audits is to identify critical issues related to working conditions, compensation, working hours, health, safety, and environmental practices, while providing Brembo with clear visibility into any non-conformities raised by workers in the supply chain. They serve as a valuable channel for gathering workers' input and concerns, allowing Brembo to effectively address and manage both actual and potential impacts on labor conditions within the supply chain.

The channels for listening and engaging with suppliers include:

- Daily activities and reports of the Purchasing GCF
- A supplier Engagement Survey on the importance of material issues for Brembo
- A conflict Minerals Engagement Survey for the annual supplier survey of conflict minerals use
- Training for Purchasing GCF on Corporate Social Responsibility, with an in-depth look at the supply chain
- Brembo supplier portal.

These various forms of engagement could take place any time during the duration of the supplier's contract and could occur directly with the workers in the value chain, with their legitimate representatives, or through a system of delegations, depending on specific needs.

The Chief Purchasing Officer has operational responsibility for ensuring that the engagement with the supplier is implemented correctly and transparently, and that the results obtained influence the Company's strategic approach, where possible.

The effectiveness of the engagement mechanisms in place with regard to workers in the supply chain is assessed by observing improvements in sustainability assessment scores.

In addition, Brembo also has a whistleblowing mechanism in place to receive and manage reports from suppliers' and other value chain workers, allowing them to report any human rights violations. Brembo guarantees the confidentiality of the identity of those who report in good faith. Suppliers' workers are also involved annually in the process of identifying and evaluating the actual or potential impacts that Brembo may generate on them. For information on the methods of engagement, please refer to chapter ESRS 2.

S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

In accordance with its dedicated policies, Brembo adopts a responsible approach in managing remedies for material potential adverse impacts on workers in the value chain that it has caused or contributed to, and that were identified by the Group through the engagement methods described in the previous paragraph.
The effectiveness of the remedies is assessed through direct contact with the concerned stakeholders and the related follow-ups, with the aim of verifying that the solutions implemented have effectively solved the issues identified. In this way, the Group ensures that the remedies provided are adequate and consistent with its social responsibility standards.

As outlined in the sustainable procurement policy, for example, Brembo remediation process requires suppliers to develop and implement a Corrective Action Plan in response to any identified non-compliance. To ensure the effectiveness of these measures, Brembo conducts follow-up audits to verify that any issues or concerns from workers in the supply chain have been appropriately addressed and resolved. If the supplier violates the principles outlined within the policy, does not actively contribute to providing the requested information, or does not implement appropriate improvement plans, Brembo reserves the right to precautionarily suspend and/or terminate any business relationship early and with immediate effect.

Brembo ensures that the channels are accessible and known to all intended users through communications on the company website. Moreover, the compay has in place policies regarding the protection of individuals that use them against retaliation as discribed in section S1-3.

S2-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON VALUE CHAIN WORKERS

Brembo actively prevents negative material impacts and risks and fosters positive material impacts concerning value chain workers (as described in the section S2-SBM3) through different actions.

To prevent, address and remediate material impacts and risks that may arise, Brembo has established a procedure for following up on suppliers who formerly resulted in poor sustainability performance. This procedure applies to all suppliers across the Group and entails initiating follow-up actions on suppliers who either fall below a specified minimum score or violate any zero-tolerance non-conformities.

For on-site audits, suppliers are provided with a specific timeframe to address any identified non-conformities. The timeframe is determined by the severity of the issue. Furthermore, Brembo retains the right to immediately suspend or terminate contracts if the supplier breaches the conduct principles set forth in the policies referenced in earlier sections (such as the sustainable procurement policy, Code of Basic Working Conditions, and policy on non-discrimination and diversity) as well as the provisions of Brembo's general terms and conditions. Currently, Brembo is reviewing its supplier sustainability assessment

37 (S2-2; 23) Auditors select a representative sample of the workforce, considering gender, job roles, pay levels, and, if applicable, immigrants and contractors. Interviews focus on health and safety, wages, and ethical-social issues.

procedure to redefine the follow-up process for on-site audits, with the goal of enhancing its approach to swiftly addressing any identified non-conformities.

Additionally, Brembo has implemented various initiatives aimed at delivering positive impacts for value chain workers. Specifically, the Company is committed to the continuously enhancing supplier performance through ongoing dialogue on sustainability topics. This involves offering consistent support to suppliers during one-to-one dedicated meetings, ensuring they are well-informed and aligned with Brembo's sustainability objectives.

Brembo actively tracks and evaluates the effectiveness of its actions and initiatives by monitoring improvements in sustainability scores and confirming the resolution of the detected non-conformities. This systematic approach helps to ensure that the desired positive outcomes for value chain workers are not only achieved but also sustained over time.

To address the performance of supply chain workers, Brembo employs a combination of self-assessments, on-site audits and other evaluation methods outlined in previous sections to identify suppliers with subpar sustainability performance. During the reporting period, Brembo has not recorded severe human rights issues and incidents connected to its upstream and downstream value chain.

For more information on how the Group tracks the effectiveness of policies and actions through targets, please refer to the following chapter.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S2-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON VALUE CHAIN WORKERS

In order to manage negative impacts and risks, and advance positive impacts, Brembo has set two measurable, outcome-oriented and time-bound targets.

The first target is about expanding the scope of suppliers' on-site ESG assessment and monitoring to cover 80% of purchasing spent on direct relevant suppliers by 2026.

This target is directly in line with the objectives of Brembo's sustainable procurement policy, as embeds ESG principles into supplier evaluation and engagement. Additionally, the audits are performed on Brembo's suppliers (upstream value chain), in all locations where the Group operates. By extending on-site ESG assessments and monitoring, the organization ensures that procurement practices actively support sustainability goals, such as reducing environmental impact, promoting ethical labour practices, and fostering responsible sourcing. It is a relative target and its unit of measurement is the percentage of spend coverage (expenditure towards audited suppliers / total expenditure on direct relevant suppliers).

The base year for measuring progress is 2020, during which the baseline value indicated that 70% of spend on direct relevant suppliers were assessed through on-site ESG evaluations.

In terms of methodologies and key assumptions, the target focuses on "direct relevant suppliers," i.e., to those suppliers that are essential to Brembo's core operations and sustainability objectives. Brembo considers that 80% of procurement spend on these relevant suppliers constitutes a significant threshold for driving change and enhancing overall supply chain sustainability.

Since the adoption of the target, no changes have been made, and the data source used to calculate the percentage of coverage of Brembo's spend is Brembo's Purchasing systems. The target is monitored annually, and Brembo is currently on track to achieve it. There has not been a significant change in the performance of the Company, which has remained consistently above the target threshold over the years.

The second target focuses on ensuring that the Local for Local Index remains above 90%. By prioritising local procurement, the target reduces the environmental footprint associated with transportation and logistics, (e.g., greenhouse gas emissions and energy consumption). Maintaining a Local for Local Index above 85% supports the Group's aim to enhance local economic growth and resilience. The target is based on the spend in regions where Brembo operates and includes the purchase costs of goods and services directly related to the production of finished products, including the purchase of raw materials, components, semi-finished and finished goods, as well as auxiliary materials and services — primarily transportation, utilities, packaging, and maintenance, repair, and operations (MRO). Additionally, it includes services that are not strictly tied to production, such as information and communication technology (ICT) and telephony expenses, cleaning, security, and canteen services. However, costs associated with tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, property leases, and industrial assets are excluded. The base year for measuring progress is 2020, during which the baseline value was 87%, and the target is set to be maintained until 2030.

Since the adoption of the target, no changes have been made, and the data source used to calculate the percentage of coverage of Brembo's spend is Brembo's Purchasing systems. The target is monitored annually, and Brembo is currently on track to achieve it. There has not been a significant change in the performance of the Company, which has been increasing constantly over the years.

Regarding both targets, workers in the value chain were not engaged in the process of defining,monitoring performance against them, or identifying areas for improvement.

Brembo has not set specific targets or measurable objectives on value chain workers. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.

S3 - AFFECTED COMMUNITIES

S3 SBM-3 AFFECTED COMMUNITIES IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Brembo includes within the scope of disclosure under ESRS 2 communities that may be materially affected by the company. In particular, these are the local communities in the countries where the Group operates through its production plants and research and development centres.

The double materiality assessment has led to the identification of the following material positive impact, in relation to the matter of affected communities:

- **Positive impact - Impacts on the social growth of local areas and communities:** The presence of the Group at the national and international level can contribute to the enhancement of positive external effects through the direct transfer of investments, technology, knowledge, and skills. The Group supports social development in the communities where it operates through donations or specific projects that are not related to its core business.

The materiality assessment conducted by the Group took into account the impacted communities, and Brembo did not identify any particular groups of people more subject to risks than others or exposed to particular vulnerabilities. Additionally, no significant negative impacts, risks, or opportunities have been identified in relation to the communities.

The insights gained from the materiality assessment inform and contribute to the adaptation of Brembo's strategy and business model and contribute to its adaptation. By aligning its initiatives with the identified needs of local communities, Brembo aims to enhance its positive contributions to social growth. This proactive approach not only strengthens Brembo's commitment to sustainability but also fosters shared social value, reinforcing the company's role as a responsible corporate citizen in the regions where it operates.

Brembo recognizes that its operations have significant impacts on the social growth of local areas and communities, which are closely connected to the company's strategy and business model. As part of its commitment to the UN 2030 Agenda and the Sustainable Development Action Programme, Brembo actively engages with local communities.

For more information, please refer to chapter SBM-3 of the ESRS 2. With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to the section ESRS 2 IRO-1 herein.

Brembo has always been committed to strengthening its relationships with the local community, specifically the community that operates within its facilities. The global presence of the Brembo Group offers a significant opportunity to enhance positive external impacts through the transfer of investments, technology, and skills. The Group actively promotes the growth of the local economy by supporting infrastructure, employment, and training programs, while recognizing the importance of fostering intellectual capital in the districts where it operates.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

S3-1 POLICIES RELATED TO AFFECTED COMMUNITIES

The Group does not have a specific policy aimed at managing the impacts, risks, and opportunities related to the affected communities, but references can be found within the Group's Code of Ethics and the stakeholder engagement policy. Through these documents, Brembo aims not only to mitigate and minimise potential negative impacts on communities but also to identify and leverage opportunities to continuously improve its practices and positive impact on the affected communities.

In its Code of Ethics, Brembo specifies that it considers the population and local communities of the countries in which it operates among its main stakeholders and is committed to promoting relationships with them in the forms provided for by the applicable laws in the various jurisdictions. Additionally, Brembo is committed to protecting the health of people, natural resources, and the environment by promoting sustainable and responsible industrial development, which is appreciated by local communities.

Within its stakeholder engagement policy, Brembo outlines the engagement processes with local communities (described in the following paragraph S3-2). For more information on the Code of Ethics and the stakeholder engagement policy, please, refer to the Table in S1-1. Both documents refer to the positive impact described above.

Moreover, to ensure structured and strategic management of social initiatives, Brembo has set up the Socio-Cultural Sponsorship and Donation Committee at a central level. This body periodically brings together a few relevant Chief GCF Officers with the aim of defining criteria, guidelines and priorities on which to focus sponsorship and donation activities in the social and cultural sphere, evaluating the initiatives to be supported, as well as monitoring the consistency and effectiveness of the projects promoted.

The primary responsibilities of the committee include defining the budget, criteria, and guidelines for selecting socio-cultural sponsorship and donation initiatives. Additionally, the committee analyzes proposals submitted by the Chief Legacy Officer, validating or rejecting their adoption as appropriate. It also monitors Brembo Group's commitments to align with intervention categories and enhances the company's engagement through a structured internal and external communication plan when necessary.

S3-2 PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

For the projects that Brembo carries out in collaboration with the CESVI Foundation, Brembo engages with affected communities through a structured Complaints and Feedback Mechanism (PCFM) that is in line with the Core Humanitarian Standard on Quality and Accountability. The CESVI Foundation is an Italian non-governmental organization (NGO) founded in 1985 that focuses on international cooperation and humanitarian aid. Its main mission is to combat poverty and promote sustainable development in various parts of the world, with a particular emphasis on projects that improve the living conditions of vulnerable populations. The PCFM developed by the collaboration between the two realities ensures that community perspectives inform decision-making by incorporating feedback, operational complaints, and serious complaints related to project implementation, staff conduct, and service quality.

Engagement occurs directly with affected communities and their representatives through various channels, including suggestion boxes, verbal complaints, emails and written complaints. Community consultations take place at different stages, from project design to implementation and monitoring, with quarterly reviews and annual accountability meetings to assess the effectiveness of the engagement. The Project Manager and MEAL (Monitoring, Evaluation, Accountability, and Learning) Officer are responsible for ensuring that feedback is recorded, addressed, and used to refine project strategies, while serious complaints are escalated to senior management. The effectiveness of engagement is assessed through periodic evaluations, follow-ups on complaints, and mechanisms designed to ensure inclusivity, particularly for marginalised groups such as women, children, and economically disadvantaged communities. Special efforts are made to engage these vulnerable populations using child-friendly feedback tools and community-level consultations that respect local traditions and decision-making processes. CESVI's engagement framework emphasizes cultural sensitivity and the inclusion of marginalized voices to ensure a participatory and respectful approach.

Moreover, the Company's commitment to the wellbeing of local communities translates into active management to protect the interests and health of people in affected areas. At the same time, Brembo contributes to economic and social development by promoting employment opportunities, developing local skills, and encouraging active participation in community initiatives. The global presence of the Brembo Group offers a significant opportunity to enhance positive external impacts through the transfer of investments, technology, and skills. The Group actively promotes the growth of the local supply chain by supporting infrastructure, employment, and training programmes, recognising the importance of fostering intellectual capital in the districts. Furthermore, it makes its know-how available, reinforcing its commitment to social responsibility and the sustainable development of surrounding communities. The process of listening to the needs of the communities actively engages Brembo People at all levels, including Country General Managers and the voluntary roles of Sustainability Ambassadors and Sustainability Champions.

In addition, within the stakeholder engagement policy, Brembo outlines the methods for engaging affected communities. The following engagement tools are used:

- Orientation and engagement activities for high school students and university institutions, along with related recruiting programmes.
- Roundtable discussions and dialogues with Public Administration.
- Initiatives to open Brembo's plants to visits from workers' families ("Open House" days) in various countries where the Group operates.
- Initiatives to support the social and cultural development of the territories promoted by the Group.
- Channels for reporting violations of the Code of Ethics.
- Monitoring through media (press, specialised magazines, TV, web, social networks).

S3-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

Brembo has determined that it will not report on "Processes to remediate negative impacts and channels for affected communities to raise concerns" as the process of Double Materiality has not identified any significant negative impacts on local communities. Instead, Brembo highlights its positive contributions to the social growth of local areas and communities. The Group's efforts are focused on fostering development, enhancing community wellbeing, and creating beneficial relationships with the regions in which Brembo operates. By prioritising initiatives that promote social advancement, the Group is committed to ensuring that its presence is a force for good, positively impacting the lives of individuals and the overall health of the communities it serves.

Brembo tracks the effectiveness of its initiatives through continuous dialogue with the local institutions and non-profits it collaborates with, requesting reports on the progress of projects and monitoring the achievement of set objectives.

S3-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON AFFECTED COMMUNITIES

Brembo is aware that it is an important player in the economic and social fabric of the local areas in which it operates around the world, and this generates a deep sense of responsibility towards people, bodies and institutions, as well as the environment.

Over the years, the Group has developed a broad and growing set of projects and initiatives to involve and support local communities, with the aim of bringing concrete support to areas of greatest social need through the projects promoted by the Socio-Cultural Sponsorship and Donation Committee.

These projects are conceived and developed in collaboration with the non-profit sector and local institutions and are oriented towards the following areas of intervention: education, training and research, environment and sustainability, sport, art and culture, social and child protection.

Listening to the needs of communities also involves Brembo People at a widespread level, including Country General Managers and the volunteer figures of Sustainability Ambassadors and Sustainability Champions who, by interfacing with the company's Sustainability & Risk GCF, bring to the Group's attention the needs that have emerged from local communities.

Building on this commitment to community engagement, Brembo is now poised to implement the Proaction Project Proposal, which will further enhance its efforts in addressing local needs through a structured and adaptable approach.

The Proaction Janata Vasahat – Pune Project Proposal (2024-2026) is a comprehensive initiative designed to address critical societal challenges by fostering sustainable development, community engagement, and stakeholder empowerment. It serves as a guiding framework or modus operandi that Brembo can adopt when engaging with local communities through projects, emphasising broad principles such as capacity-building, fostering collaboration, and sustainability. The project focuses on enhancing the educational path of underprivileged children and youth by providing study assistance and facilitating digital learning via computer labs. The programme will offer after-school support across all subjects included in the school curriculum. Personalised attention will be given to each child to make learning engaging, thereby encouraging them to stay in school and complete their education with commendable grades. It also aims to empower families and community through counselling and awareness sessions fostering sustainable growth and development for all. In its first three months of operation, the center has worked diligently with its dedicated staff to deliver significant benefits to both children and community members, with a special focus on girls' education. The Company's aim is to ensure that girls complete their education and do not drop out of school or marry at a young age. Programmes include an Education Support Programme, a Digital Learning Programme, and various extracurricular activities. In the Study Support Programme, guidance is offered in subjects such as English, Math, and Marathi.

Additionally, children are engaged in fun games, height and weight measurements are conducted, and monthly health check-ups and parent-teacher meetings to monitor children's progress are held. In 2024, 54 girls and boys participated in educational support activities, children's life skills and psycho-social support and health checkups. 10 young people took computer classes. 21 community people were guided to obtain government documents and schemes. 32 women participated in awareness sessions.

BREMBO ALONGSIDE ACCADEMIA CARRARA AND GAMEC

Over the years, Brembo has been able to build an active and constant dialogue with the voices of the area in which it originated, collaborating with important companies that also operate outside the business context.

After the important experience as a partner of Bergamo Brescia Italian Capital of Culture 2023, Brembo has chosen to give continuity to its commitment, collaborating with two major cultural institutions in the area: Accademia Carrara and GAMeC, the Gallery of Modern and Contemporary Art of Bergamo. In particular, the Company has decided to support the three-year programmes of both institutions, supporting artistic and cultural projects of social interest.

Brembo will serve as an Educational Partner for the Accademia Carrara from 2024 to 2026, supporting educational projects by La Carrara Educazione. This initiative aims to familiarise individuals with the museum from a young age and promote it as a welcoming place for all. Since 2016, La Carrara Educazione has offered activities for various groups, including schools and families, through guided tours, workshops, and teacher training. Brembo's support focuses on raising awareness of art and fostering the role of the museum as a venue for meeting, reflection and collective growth.

Brembo is also backing GAMeC's artistic and cultural projects from 2024 to 2026, including "Thinking Like a Mountain", which aims to engage local communities and reflect on sustainability through the participation of international artists.

Brembo has chosen to collaborate with Accademia Carrara and GAMeC due to their shared commitment to social and cultural initiatives, aiming to create value for the community and the local area.

A "HOUSE OF SMILES" DEDICATED TO MOTHERS AND CHILDREN IN INDIA

Brembo has been operating in Pune, India, for years, gaining insight into the local socio-economic dynamics and community needs.

In 2017, the Group launched the "House of Smiles" a project in collaboration with the CESVI Foundation, a multi-service hub designed to support urban slum communities in Pune. This initiative provides integrated services focused on child education, protection, and empowerment for women and children in vulnerable conditions. The project operates through three educational centres and a central HUB office.

Swadhar serves as a local partner within these structures, playing a key role in the House of Smiles (HoS) project, which stands as a beacon of hope for women, children, and families. Committed to making a meaningful impact, the project ensures access to education, protection, and nutrition services in a safe and stimulating environment. Through a diverse range of activities including early childhood development, kindergarten, study and support classes, family guidance, counselling, vocational training, e-learning, library services, and community awareness programmes — HoS fosters holistic growth and empowerment.

In 2024, a total of 1,372 beneficiaries participated in educational activities across various age groups. The kindergarten programme (ages 3 to 6) focused on enhancing cognitive, social, and fine motor skills, preparing children for formal schooling through educational play, nutritious supplements, a toy library, and festive celebrations. For school-aged children (6 to 14), support and study classes were conducted to improve academic performance, reintegrate school dropouts, and create a conducive learning environment. Activities included numeracy and literacy skill-building, e-learning, library sessions, science exhibitions, and exposure to classical music and instruments, ensuring holistic development These initiatives were led by trained teachers.

New initiatives were implemented in 2024: Toy House: Introduced for children aged 6 months to 6 years, this activity encourages mothers and caregivers to engage in educational play, fostering early development. Life Skills Education: Conducted in collaboration with the Dignity Academy Foundation, these sessions for adolescents (12-18 years) focus on self-awareness and communication through play. Art Therapy Workshops: Designed to promote emotional expression, mental wellbeing, and interpersonal skills through visual art. Spoken English Classes: A dedicated English teacher was appointed to support study and class students across all three centres. This pilot project aims to enhance English proficiency, boosting children's confidence and future opportunities.

The House of Smiles actively engages parents and the community through family counselling (individual and group sessions). The three educational centres also provide vocational training for young women in tailoring, beautician, and embroidery courses, awarding recognised certificates to support their economic and social independence, as well as awareness programmes on career guidance, parenting, education, health, and access to public welfare schemes. In 2024, 1,951 indirect beneficiaries participated in these awareness programmes, enhancing their skills and career prospects.

The Brembo Brake India Management team maintains a close partnership with CESVI operators to oversee the project and collaborates with Swadhar's local managers to ensure continuous engagement and support for women, children, and families benefiting from the House of Smiles.

THE "SCHOOL ON WHEELS" PROJECT TO REACH GIRLS AND BOYS IN INDIA WITH A MOBILE EDUCATIONAL SPACE

In 2019, Brembo launched the "School on Wheels" project in India, transforming a school bus into a mobile classroom in collaboration with Door Step School, a local NGO focused on educating children from vulnerable families. The initiative addresses three key challenges in primary education: non-enrolment, early school dropout, and learning stagnation, providing children with opportunities for a better future.

The "School on Wheels" bus is equipped with books, notebooks, computers and interactive teaching materials to support the literacy and study activities of over XY children using innovative teaching methods. Operating from Monday to Saturday, the project reaches the outskirts of Pune, engaging groups of 20-25 children at each stop.

The Door Step School team teaches children aged five to ten essential skills: reading, writing and counting, while also promoting self-care. The bus stops in designated areas for about two hours, allowing the entire community to access the mobile unit for reading activities. This initiative benefits both emerging readers and those who can read but lack access to books.

Additionally, the Door Step School team collaborates with parents to involve them in their children's education, fostering continuity and support for learning. Monthly meetings with families and community visits are organized to share children's progress and encourage parental engagement in their educational journey.

In 2024, with support from Brembo Brake India, a new educational space was inaugurated in Balajinagar, Pimpri-Chinchwad, providing children with essential skills for their school and personal development.

SUPPORT FOR YOUNG PATIENTS AT TATA MEMORIAL HOSPITAL IN MUMBAI, INDIA

Tata Memorial Hospital in Mumbai is a leading centre for paediatric cancer care in India, where many families seek oncological treatments for their children. Since 2024, Brembo has supported St. Jude India Child Care Centers, an NGO collaborating with the hospital to assist young patients and their families during treatment.

The project provides free accommodation, nutrition programmes, and activities aimed at enhancing the psychological and emotional wellbeing of families. St. Judes' approach emphasizes learning, offering personalised school programmes that allow children to continue their education through creative workshops, educational games and interactive lessons.

Emotional support is also vital, with activities like music therapy, yoga, and counseling sessions helping children process their emotions. Parents are also included in the programme, receiving support for emotional processing and economic independence through practical courses in various skills.

Families celebrate milestones together, fostering a community spirit and creating a supportive environment. Outdoor activities like cricket and volleyball promote socialisation and strengthen community bonds. This integrated approach enhances the overall wellbeing of children and families, helping them face treatment challenges with confidence and support from their community.

THE BREMBO FOREST IN KENYA AND SUPPORT FOR THE CHAKAN BIODIVERSITY PARK IN INDIA

Every tree is vital for the planet, providing oxygen and resources for humans, symbolizing sustenance, life and hope for the future. To celebrate its 60th anniversary in 2021, the Group donated a tree to every employee worldwide, establishing the first Brembo Forest in Kenya's Lake Victoria region. The initiative, called "Brembo4Earth - A gift for you, our forest for the planet" was carried out in partnership with Treedom, resulting in the planting of 14 thousand trees, including both stem and fruit species tailored to the local environment.

The Brembo Forest contributes to the achievement of 10 of the 17 Sustainable Development Goals defined by the United Nations, bringing both environmental and social benefits. In particular, the project involves local communities in forest management and care, providing them with profitable agricultural alternatives.

In 2024, Brembo continued monitoring the Brembo Forest and supporting the Biodiversity Park in Chakan, India, in collaboration with the NGO Bosch & Forest using the "Miyawaki Method". This technique, developed by the Japanese botanist Akira Miyawaki, utilised resilient native plants to restore abandoned land previously used for illegal dumping.

A key phase involved selecting species to create a sustainable ecosystem that enhances soil retention, cools the microclimate and absorbs pollutants and carbon dioxide. The biodiversity park is now accessible to the community and industrial workers, providing a green space for reconnecting with nature.

EMPOWERMENT AND SOCIAL INCLUSION FOR WOMEN AND CHILDREN BY THANE

In 2022, Brembo launched a project in Thane, India, to support mothers working in the textile sector with children care. In partnership with Proaction, a Day Care Centre (DCC) was established, operating five days a week. The DCC provides various socio-educational services, including educational support, arts and crafts workshops, sports activities, career guidance, karate classes, interactive learning classes, specialised English support sessions and healthcare. A fully equipped computer centre has been operating since June 2024 for the community children in Thane, staffed by a full-time teacher. The centre provides a three-month basic computer course consisting of six batches each with five students.

Two batches of 28 beneficiaries have successfully completed their training in 2024. Moreover, two community health camp (Dental camp and Eye camp) were organized for the community people, with 260 beneficiaries.

This multi-purpose space allows children to learn, explore and grow in a safe and stimulating environment that contributes to the enhancement of their learning skills and the improvement of their overall wellbeing. During 2024, 50 girls and boys participated in arts and crafts workshops, while 33 girls and boys (22 non DCC children + 11 DCC children) took part in career guidance sessions. In addition, a space with PC workstations was opened in 2024, designed to improve classroom interaction and make learning more dynamic and engaging.

In addition to educational support, 26 children had the opportunity to participate in karate courses and 43 children participated in summer camps with chess workshops, outdoor games and computer classes.

The mothers participating in the project are artisans from a nearby tailoring unit. The project is aimed at promoting their economic and social empowerment by providing health coverage, regular medical check-ups, and financial educational support to 27 children to prevent school dropouts and manage family emergencies. It also offers training and awareness courses to enhance mothers professional skills.

In 2024, the centre guaranteed health insurance to entire households, covering a total of 172 beneficiaries under the health insurance plan, including 48 artisans and 124 dependents (family members of the artisans). In addition, a total of 56 children benefitted from monthly health check-up sessions, 72 women benefitted from medical examinations and seven skills enhancement sessions were conducted for 26 women artisans.

Total unique beneficiaries in Thane project amount to 500. In conclusion, Brembo's two-year project in Thane is demonstrating a significant impact on the local community. Thanks to the Day Care Center (DCC), opportunities have been created for the care, growth and education of children, while mothers have received vital support for family management and personal development. Community computer classes, help students develop computer literacy and connect with the world of digital learning.

THE "DREAM CENTER" PROJECT TO ENSURE ACCESS TO EDUCATION FOR GIRLS AND BOYS IN RURAL CHINA

In rural China, many children face challenges in accessing quality education essential for their future. Since 2019, Brembo has collaborated with the Chinese NGO ADream.org on the "Dream Center" project, which focuses on renovating schools and providing teacher training to improve teaching quality and stimulate students' aspirations through an innovative approach.

There are five active Dream Centers: Taizhou Experimental Primary School (Jiangsu), ZiXi Experimental Primary School (Jiangxi), Jietian Central Primary School (Jiangxi), Muye Township Central Primary School (Chongqing) and Jiangxi Ganzhou SiYuan Experimental School (Ganzhou), serving thousands of students (more than 11,200) and teachers (more than 450).

Brembo China also participated in "Tencent 99 Giving Day" contributing to the purchase of new educational material for the Centres. This initiative demonstrates that shared commitment can reduce social gaps and create new opportunities for change, ensuring that no one is left behind.

FOSTERING SYNERGIES TO SUPPORT RESEARCH AND INNOVATION

The strong propensity for innovation and research leads Brembo to pay particular attention to specialised education and training programmes aimed at young people, as well as to support advanced scientific research projects in fields of application that go beyond the automotive sector.

An example is the support for FROM, the Research Foundation of the Papa Giovanni XXIII Hospital in Bergamo, founded in 2008 with the aim of promoting the development of research projects within the Bergamo Hospital and playing an active role in the national and international clinical research landscape. FROM is committed to enhancing and expanding research potential in all hospital sectors, with the aim of improving the quality of care and people's health.

Brembo supports the Mario Negri Institute, one of Italy's largest biomedical and pharmacological research centres, dedicated to promoting scientific culture through various initiatives that inform the scientific community and provide accessible drug information to citizens.
In 2024, the Institute received the Edinburgh Medal, a prestigious award from the Edinburgh Science Charity, for its patient-centred research approach, which emphasizes transparency and the sharing of scientific and health information.

During the Covid-19 pandemic, Brembo's support for these organizations and for the Papa Giovanni XXIII Hospital in Bergamo made it possible to finance research projects conducted jointly for the study of the virus and its medium-long term consequences. The results of the research projects have been published in the most prestigious scientific and medical journals worldwide.

BREMBO AND ATALANTA: SPORT AS AN EDUCATIONAL AND SOCIAL VALUE

Sport is a powerful tool for personal and collective growth, promoting inclusion and enhancing talent. Brembo supports the social role of sport and shares educational values, such as loyalty, teamwork and continuous improvement, with Atalanta, which young athletes can apply both on and off the field.

Since 2018, Brembo has collaborated with Atlanta, particularly as the Top Partner of the Youth Sector. A key aspect of this partnership is the Brembo Award, which recognizes deserving players from the Under 15 to the Primavera based on sports performance, school results, and behavior. In 2024, the Award was presented by Cristina Bombassei, Brembo's Executive Director and Chief Legacy Officer, during a ceremony attended by 400 young players and staff.

Brembo also supports the "School at the Stadium" project, promoting knowledge of rules, discrimination prevention and fair play. Additionally, Brembo is involved in Atalanta's summer football Camps for children aged 7 to 14, which enjoy significant participation every year.

DEEPSTAMBH FOUNDATION: MANOBAL PROJECT

The Deepstambh Foundation is committed to empowering individuals, particularly those with disabilities, orphans, transgender individuals, and underprivileged youth, through a comprehensive range of educational and training programmes, including preparation for competitive examinations, higher education support, and skills training. With a notable partnership with Brembo, the foundation enhances its impact by providing residential training and education at the Manobal Pune centre, where sponsored students receive mentorship, accessible study materials, and financial assistance. This collaboration has led to significant achievements, such as the successful placement of 470 students in government jobs and numerous others in various sectors. Brembo's support has been instrumental in enabling students like Vaibhav Sherki and Sachin Kharade to overcome personal challenges and achieve their academic and career goals, exemplifying the transformative power of this partnership in fostering social inclusion and development within marginalised communities.

ST. JUDE INDIA CHILDCARE CENTRE: HOME AWAY FROM HOME

The St. Jude India ChildCare Centre, supported by Brembo, operates a "Home Away from Home" project at the Kharghar location in Mumbai, catering to young cancer patients and their families. Between December 2023 and November 2024, the centre supported 117 families, for a total of 351 beneficiaries, by providing safe, hygienic accommodations, nutritional support, transportation to hospitals, educational sessions, and emotional wellbeing activities. Recreational and therapeutic interventions, such as yoga, art, music therapy, and skill development programmes, benefitted both children and parents, fostering a community-focused environment of healing.

Educational themes and creative learning engaged children, while parents participated in vocational and recreational activities. Special occasions like festivals and Mother's Day were celebrated to bring joy and cultural exchange. These initiatives not only eased treatment adherence but also improved the psychological and emotional resilience of families.

Looking ahead, St. Jude's aims to expand its capacity with new facilities under construction at the ACTREC campus, set to open by April 2025, to further support families across 11 cities. The initiative exemplifies holistic care, fostering recovery and community among patients and their caregivers.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S3-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ONAFFECTED COMMUNITIES

Brembo has not set specific targets or measurable objectives related to Local Communities for 2024. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.

S4 - CONSUMERS AND END-USERS

S4 SBM-3 CONSUMERS AND END-USER IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In defining its strategy and business model, Brembo includes within the scope of disclosure under ESRS 2 the interests, rights, and opinions of consumers and end users.

The double materiality assessment has led to the identification of the following IROs, in relation to the consumers and end users:

- **Positive impact - Increased end-user safety through the implementation of innovative technologies in products:** Brembo invests in Research and Development activities to develop innovative products and lead to increased safety of vehicles using Brembo components, resulting in higher safety standards for end users.
- **Negative impact – Consumer safety due to product non-conformities:** Being braking system a safety component by definition, in case of product non-conformity the end-user's safety may be threatened.
- **Risk - Product liability and safety recalls:** If a defect is detected once the product is on the market, it may result in one or more of the following consequences: product liability by the claims end-customer, safety recall campaign, warranty intervention (in case of a non-safety-related defect). The consequence for the Company would be an impact in terms of extra costs, reputation and/or relationship with clients.
- **Risk - Potential errors in external and internal communications:** Incorrect disclosure could represent a risk for Brembo, as it can damage its corporate reputation, lead to penalties and negatively influence the market choices of end users and, consequently, clients.

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to the section ESRS 2 IRO-1 herein.

The safety of end users cannot be separated from the quality of Brembo's products. For this reason, Brembo is committed to managing its impacts and risks and defines its strategy to ensure the production of excellent products with safety, quality, and reliable performance. Furthermore, through the use of innovative technologies, Brembo aims to enhance the performance of its braking systems, ensuring maximum reliability and safety for the end user.

For information on how interest, views and rights of Brembo's stakeholders inform its strategy and business model please refer to ESRS 2 SBM-2 (General Disclosure).

The analyses conducted by the Group for identifying and evaluating impacts, risks, and opportunities did not lead to the identification of specific groups of end-users to focus on. The impacts, risks, and opportunities identified by the group therefore refer to the drivers of vehicles equipped with brake components manufactured by Brembo.

S4-1 POLICIES RELATED TO CONSUMERS AND END-USERS

The Group has a structured system of policies and codes aimed at managing the impacts, risks, and opportunities also related to end users.

The policies adopted by the Group not only aim to minimise negative impacts on end users, but also to identify and leverage opportunities to continuously improve its practices.

Table 40

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
QUALITY POLICY				
Brembo Group's quality policy [38] defines Brembo's intentions and strategies regarding the quality and safety of its products and processes. The policy is centred on the ability to constantly innovate products, processes, and services to provide the highest level of quality and performance excellence. The policy emphasizes the Company's focus on health, safety, environmental protection, ethics, sustainability, and legal compliance, both internally and throughout its supply chain.	The policy applies to all Brembo products and processes.	The Quality function is responsible for defining the policy together with EC.	The policy is consistent with ISO 9001 and IATF 16949 standards.	Public on the Company's Intranet.

Brembo has implemented a Quality Management System compliant with the IATF 16949:2016 standard. This system, characterized by Guidelines common to all the Group's plants, allows best practices to be transferred from one plant to another, as well as all the sites to be managed according to the same standards and quality indicators. The effectiveness of the Quality Management System is verified periodically through specific internal system and process audits and through third-party audits with regard to compliance with IATF 16949, annually, as well as ISO 26262 and ASPICE, on specific projects. Like other management systems, in newly opened sites the Quality Management System is implemented when production gets underway, and certification audits are normally carried out around twelve months after plant is commissioning.

All sites are certified according to the IATF 16949:2016 standard except for Zaragoza site, which is ISO 9001 certified as the IATF scheme does not apply to aftermarket sites. The Myasl and Jiaxing plants, which were recently acquired, will obtain IATF 16949 certification respectively by 2025 and 2026 as soon as integration activities are completed.

S4-2 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Brembo Group not only is committed to complying with quality standard and law's requirement but also aims to is ensuring transparency in communications and establishing lasting relationships with its stakeholders, including end users. For this reason, Brembo has adopted the stakeholder engagement policy which defines the methods of dialogue between the Group and its stakeholders including end user and customers (refer to the Table in S1-1).

One example of a process used to engage consumers and/or end-users is the Brembo Claims Hunter project, a new digital tool that continuously identifies posts, comments, and discussions on the web that can represent the voice of the customer. This tool allows the Quality GCF to analyse customer feedback in an aggregated manner, extract insights, and define areas for product improvement along with potential enhancements. The project enables the Company to respond more effectively to user needs. The technology behind Brembo Claim Hunter uses advanced algorithms that filter and classify the collected data, ensuring precise and detailed analysis. This helps Brembo to maintain a constant dialogue with consumers and continuously improve its products. Moreover, Brembo has adopted a channel through which consumers and end users can raise their concerns as described in G1-1.

In particular, in the case of the Aftermarket GBU and product issues, the end user can write directly to Brembo or contact their dealer, who will then liaise with Brembo to obtain all the necessary information for the prompt resolution of the problem.

Additionally, the Quality GCF periodically monitors news, particularly from government agencies, regarding recall campaigns already activated in the market and potentially related to Brembo products, in order to detect "early warnings" of any issues impacting the quality and safety of the Company's products.

Based on this information, a risk exposure analysis for Brembo is carried out with all the necessary functions, and depending on the assessed risk exposure level, an appropriate work plan is defined to adequately eliminate the highlighted risk exposure.

S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

To ensure product safety and quality and prevent potential negative impacts, Brembo adopts a preventive/proactive approach in managing its processes, allowing it to anticipate problems and intervene to prevent them, with a view to continuous improvement. Specifically, during the design and development phases, FMEA/FMECA analyses are conducted, both for products and processes, to identify both product and process characteristics with potential impacts on end-user safety, so they can be systematically managed and controlled throughout the production chain (product development, internal process, and supplier process).

Additionally, specific courses on FMEA products and process are periodically provided. During the development phase, a testing plan is implemented, conducted both on benches and vehicles, to ensure that products meet the required specifications. During the production phases, specific controls (covering 100% of the products) are carried out to ensure that all requirements, particularly those related to product safety, are met.

At the core of this approach, Brembo implements a solid "Project Management" process (known as "Stargate") which, through the planning and management of specific control points (gates) and the management of any recovery plans, allows for the verification of the correctness and completeness of the activities carried out, ensuring that the product is ready for mass production in full compliance with the defined requirements.

38 The current policy in force is dated 24/07/2017, and there have been no significant changes to the policies during the reference year.

With Brembo Academy support, many people were trained over years with dedicated e-learning and through a workshop dedicated to employees within Platforms.

A similar approach is followed in managing the entire supply chain, from the selection and qualification of suppliers to the control of compliance with agreed supply conditions. This is done through a structured evaluation and approval process based on objective and measurable parameters, through visits aimed at verifying the ability to meet the required quality standards and the involvement of suppliers from the early stages of development.

Given the importance of the Brembo Product Development System (BPDS) for Brembo, Quality GCF, with the support of Brembo Academy, periodically provides specific courses on BPDS aimed at training new people joining the Group in platform roles, as well as to standardise the development methodology within all Platforms and all Global Business Units.

At plant level, product quality and safety are continuously monitored through specific indicators (e.g., customer PPM, internal scraps) which are then further analysed centrally.

Annually, the Quality GCF (Central Quality Function) prepares the Quality Plan which consolidates the quality targets for individual GBU/Plants and for the Group, with respect to specific indicators monitored quarterly within dedicated Committees and others evaluated on a half-yearly basis and included in a specific document (Quality Report). In particular, to measure product quality and safety, indicators (customer PPM and incidents) are used, considering the number of defects sent to the customer divided by cause, criticality index (which measures the disturbance to the customer), and severity index (which measures the impact of non-conformities on the end user's safety). Moreover, any market recalls and/or special statuses attributed by the customer to the production units in case of deviations from the defined standards are also monitored.

S4-4 TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON CONSUMERS AND END-USERS

Brembo has established specific guidelines to manage all product non-conformities reported by customers, detailing responsibilities and operating procedures. For each non-conformity, a structured Problem-Solving process is implemented. This process allows for the identification of causes, the implementation of appropriate corrective actions to eliminate them, and the standardization of solutions on similar products/processes to prevent the recurrence of the issue.

Brembo managed all product issues, both during development and in serie production, through "Eureka", internally designed tool which brings all information, into a single repository and facilitates the understanding of causes and the sharing of solutions among all plants. Whether internal to Brembo or reported by the customer, all issues are thus managed through a common problem-solving methodology. The goal is to use shared knowledge to proactively address potential issues, preventing recurrence in other plants and/or on similar products. The system also provides real-time reporting of open issues and their management, resolution times, and ongoing problems.

Moreover, Brembo has developed a so called "Warranty analyser" which aims to automate the analysis of warranty data so as improve product reliability and trigger product improvement plans. This entalis the development of a structured and unified tool for warranty analysis, implementing predictive models for warranty trend evolution, and enabling ad hoc product reliability analysis.

Brembo has also defined a guideline for the management of potential recall campaign. It illustrates the responsibilities and operating modalities for the implementation, in the shortest time possible, of a set of activities and actions aimed at minimising the general risks connected with the introduction or circulation on the market of a non-conforming product potentially risky for the end user's safety or health.

To conclude, the key actions taken and/or planned to prevent, mitigate and remediate impacts, and to address risks during the reporting year are as follows:

- Integration to Brembo Quality Management System for all the newly acquired companies to have common guidelines in all the Group's plants that allows all the sites to be managed with the same standards and quality indicators.
- Quality GCF organization with dedicated people for Manufacturing Quality and Technical Problem solving in order to continuously improve problem solving management and methodologies reducing product nonconformities.
- Collection, management and audit on mandatory regulatory requirements in order to guarantee legal compliance and minimize potential risk in corporate reputation.

The information related to Brembo action plan (CapEx, OpEx) has not been disclosed with regard to financial the year 2024.

S4-5 TARGETS RELATED TO MATERIAL IMPACTS, RISKS AND OPPORTUNITIES ON CONSUMERS AND END-USERS

During 2024, Brembo set a measurable outcome-oriented target, in line with the Quality Management System:

- Percentage of plants certified according to the IATF 16949:2016 standard

As of 2024, 100% of the sites are certified according to the IATF 16949:2016 standard with the exception of Zaragoza and Shandong (BRGP), which is ISO9001 certified as the IATF scheme (does not apply to aftermarket sites). The recently acquired Myasl and Jiaxing plants will obtain the IATF 16949 certification espectively by 2025 and 2026 as soon as integration activities are completed. The target is in line with the Quality Management System characterised by Guidelines common to all the Group's plants and allowing best practices to be transferred from one plant to another, as well as all the sites to be managed with the same standards and quality indicators. The effectiveness of the Quality Management System is verified periodically through specific internal system and process audits and through third-party audits relating to compliance with IATF 16949. Like other management systems, in newly opened sites the Quality Management System is implemented when production gets underway, and certification audits are normally carried out around twelve months after plant is commissioning.

Brembo has not set specific targets or measurable objectives. However, Brembo is committed to developing appropriate targets and key performance indicators (KPIs) for the future reporting year.

3.5 GOVERNANCE

G1 - BUSINESS CONDUCT

G1 - BUSINESS CONDUCT

G1 GOV-1 ROLE OF ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

Brembo's Board of Directors (BoD) is the key body that guides the Group's ethical conduct, ensuring legality, transparency and responsibility in its actions, and establishes its strategic direction, integrating social and environmental considerations into corporate decisions to ensure the creation of sustainable value in the long term.

It oversees the implementation of the codes of conduct, ESG policies and risk management and control systems, and it's responsible for verifying the adequacy of the organizational, administrative and accounting structure and of the controls necessary to monitor the performance of the Company and the Group, collaborating closely with Top Management to promote a corporate culture focused on integrity and compliance with ethical and sustainability principles.

The BoD is collectively responsible for decisions, even if decisions are prepared and/or taken by individual Directors, who may only exercise the powers explicitly assigned to them never powers beyond those of the BoD itself as a whole. In addition, Executive Directors, such as the Executive Chairman and the Chief Executive Officer, must always inform the other directors in a clear and timely manner about the exercise of their powers and major developments in their responsibilities.

Starting 24 April 2024, with the Cross-Border Conversion, Brembo has adopted a one-tier board structure as provided by laws of the Netherlands, composed of Executive and Non-Executive Directors, the latter being also in charge of supervising the Executive Directors' activities in accordance with the Dutch Corporate Governance Code. The Board of Statutory Auditors has ceased to exist.

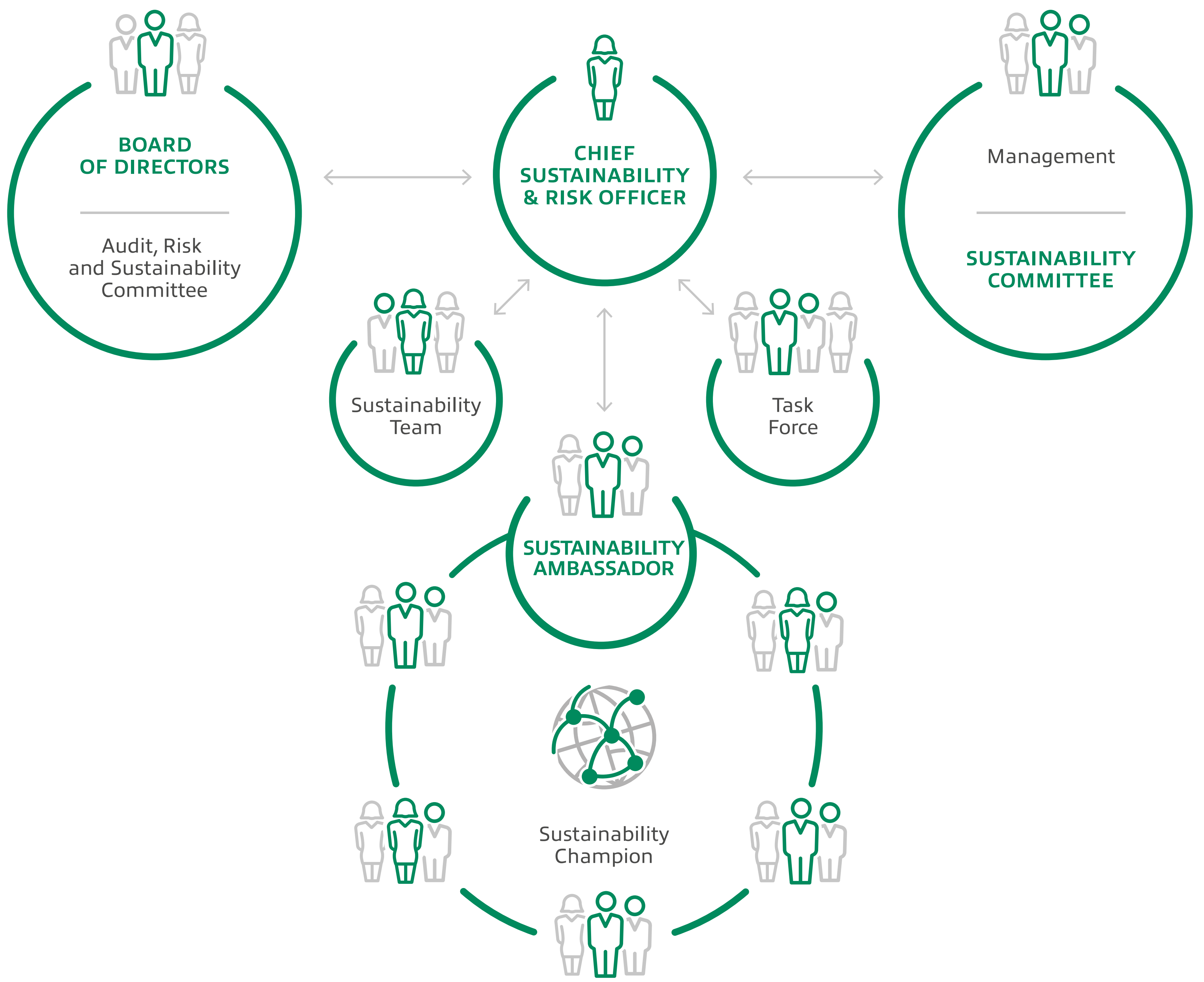
To complete its governance structure, Brembo has established an audit, risk and sustainability committee ("Audit, Risk and Sustainability Committee") in continuity with the past, with audit tasks in accordance with Dutch statutory and regulatory provisions.

The Audit, Risk and Sustainability Committee:

- assists the Board of Directors and the Non-Executive Directors' decision-making on the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control system;
- reviews the Company's financial reporting process, the systems of internal control and risk management, the external audit process, sustainability issues related to the Company's activities and the interactions with its stakeholders, and the Company's process for monitoring compliance with laws and regulations and its Code of Ethics, as well as such other matters, which may be specifically attributed by the Board of Directors from time to time.

On the other hand, the Supervisory Committee appointed by the Board of Directors pursuant to Legislative Decree no. 231 of 8 June 2001 (the "Legislative Decree 231") has been maintained after the Cross Border Conversion and it continues to monitor that the Company acts in compliance with the organizational, management and control model according to article 6 of the Legislative Decree 231 (the "231 Model"[39]) and propose any updates required under Italian law.

For information on the specific responsibilities of the administrative, management and supervisory bodies in terms of business conduct and other additional information on the Group's governance structure, please refer to section ESRS GOV-1 herein.



39 The Italian "231 Model" refers to the organizational and management model established under Legislative Decree No. 231/2001. It aims to prevent corporate crimes and administrative offenses within organizations. The model requires companies to implement specific internal controls, procedures, and protocols to promote ethical behavior and compliance with legal standards. Adopting the "231 Model" Brembo benefits from reduced liability in the event that a crime is committed by its employees or representatives. The model emphasizes the importance of a corporate culture that prioritizes integrity and accountability.

G1 IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS BUSINESS CONDUCT MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The double materiality assessment has led to the identification of Impacts, Risks and Opportunities related to the matter of business conduct.

- **Negative impact - Unfair payment practices towards suppliers**: Being a key player in its business sector, Brembo Group can be a key customer for its suppliers, especially for small and medium-sized ones. Therefore, the possible implementation of suboptimal payment practices could negatively impact the activities of the suppliers themselves, causing them economic difficulties and, in worst case scenario, bankruptcy.
- **Risk - Potential misrepresentation and/or lack of reported data and objectives disclosed in sustainability reporting**: A lack and/or incorrect representation of qualitative and quantitative data in sustainability reporting represents a significant risk for Brembo, as it can damage its corporate reputation, lead to penalties for regulatory non-compliance, negatively influence investors' decisions and undermine stakeholder confidence.
- **Risk – Potential fraud attempts and/or administrative liability due to non-compliance with internal policies/ procedures or local regulations**: In case of non-compliance with laws and regulations the Company may face potential legal and regulatory consequences. This may include fines, penalties, and other legal actions.

With regard to the methodologies, assumptions and tools used in identifying and assessing material impacts, risks and opportunities along its value chain, please refer to section ESRS 2 IRO-1 herein.

G1-1 BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The Group has a structured and organized system of policies, which applies to the entire Group (the "Brembo Compliance Systems" based on the "Corporate and Compliance Tools") and is at preventing, managing and mitigating potential impacts and risks related to business conduct and ensuring a high ethical standard in conducting business and the continuous improvement of its operating practices.

A well-built compliance program adapts to regulatory changes, minimizes risks and drives business growth. In particular, the, Brembo Legal Compliance System, as an integral part of the Internal Control and Risk Management System, provides for:

i) the implementation at Group level of the general principles of behaviour defined by the Parent (Brembo Corporate and Compliance Tools) to guarantee the maintenance of common high ethical standards;

ii) Brembo N.V.'s adoption of the 231 Model and the setting up of a Supervisory Committee tasked with constantly monitoring the functioning, appropriateness and effectiveness of the said 231 Model;

iii) the adoption by each Subsidiary of a compliance plan in accordance with local regulations governing Administrative/Criminal liability;

iv) addressing, communication and control guidelines on compliance matters at a Group level, issued by the Executive Chairman, and the power of the Chief Executive Officer to guarantee that such guidelines are implemented at all levels, both in Italy and abroad;

v) the performance of monitoring and auditing of relevant compliance activities by "second level control" entities and by the Internal Audit GCF;

vi) the establishment of a whistleblowing channel, to ensure the reporting of misconduct or violations of the Code of Ethics and the Brembo Compliance Tools, of Brembo 231 Model and any anomalies or weaknesses in the Company's Internal Control System.

Brembo Corporate and Compliance Tools mean all the instruments (documents, codes, oversight mechanisms and control procedures) implemented by the Parent at global level, and include, in particular: (i) the Code of Ethics; (ii) the Brembo Compliance Guidelines; (iii) the 231 Model; (iv) the Antibribery Code of Conduct; (v) the Antitrust Code of Conduct, as described below.

Table 41

Key concepts	Scope of application	Responsible function	External standards	Policy availability and sharing
ORGANIZATION, MANAGEMENT AND CONTROL MODEL ACCORDING TO LEGISLATIVE DECREE NO. 231/2001 “231 MODEL”				
Voluntary document (due to Dutch office) aimed at ensuring legal compliance, preventing offences, including through the identification of Sensitive Activities, and improving business practices and preventing/monitoring the risk that offences related to business conduct will be committed.	The 231 Model applies to all members of the Board of Directors (including the Executive Chairman and the Chief Executive Officer), Directors, Coworkers and Third Parties performing duties for or on behalf of Brembo NV, whether directly employed by Brembo NV.	Brembo's BoD is the highest body responsible for implementing and updating the Model, supported by the Supervisory Committee that monitors its adequacy and efficiency.	Confindustria Guidelines (2021 ed.)	Public on the Company's Intranet website and on the Brembo website, except for the most sensitive parties. Training provided to all those who work with or within the Company, or who are directly or indirectly involved in risky activities. Brembo implements training programmes to ensure in-depth knowledge of the Model by all those who work with or within the Company, or who are directly or indirectly involved in risky activities. All Subsidiaries are informed about the 231 Model and its updates by the Corporate. Business partners are also indirectly informed of the introduction of the 231 Model through compliance obligations included in the contractual agreements by the Group.
BREMBO COMPLIANCE GUIDELINES				
The Guidelines summerise the main rules of conduct to prevent wrongdoing, identify areas of risk and ensure high ethical and compliance standards in all companies, preventing criminal liability.	All Subsidiaries must adopt, implement, and possibly integrate, the Guidelines at local level also to prevent from criminal liability being transferred to Brembo N.V.	The Guidelines are approved by the Board of Directors of Brembo N.V. and the Board of Directors of each Subsidiary.	Best Practices	Public on the Company's Intranet website.
ANTITRUST CODE OF CONDUCT				
The Code raises awareness among corporate functions of compliance with competition rules, providing simple and accessible guidance on antitrust constraints, risk situations and correct behaviour.	It applies to employees of Brembo N.V. and its subsidiaries in the EU and forms a model of reference for the other extra-EU compliance programmes.	The Code was approved by the BoD of Brembo N.V. and the Executive Chairman, with individual effect, was delegated by the BoD to make any changes necessary to comply with laws and regulations.	Compliance with applicable laws in all countries in which it conducts business.	Public on the Company's Intranet website. Training and awareness - raising session are periodically organized with expert lawyers to disseminate the rules and behaviours provided for by the Code.
ANTIBRIBERY CODE OF CONDUCT				
The Code aims to: ensure principles of transparency, outline permitted conduct, ensure compliance with the anti-corruption regulations in force in all jurisdictions in which Brembo operates and ensure the highest levels of integrity by defining, among other things, Brembo's policy on the acceptance and offer of gifts, hospitality and entertainment.	It applies to all employees and other individuals or companies performing duties on behalf of Brembo whether directly employed by it.	The Code is approved by the Board of Directors of Brembo N.V. and by the Board of Directors of each Subsidiary. Any changes made to the Code is shared with the Audit, Risk and Sustainability Committee and with the Supervisory Committee and is then approved by the Board of Directors.	Compliance with applicable anti-corruption laws in all countries in which it conducts business.	Public on the Company's Intranet website and on the Brembo website. Trainings and awareness on Anticorruption provided to Group employees.
CODE OF ETHICS				
Please refer to ESRS S1 – 1 section herein				

As a basic principle of business conduct, Brembo Group is committed to complying with laws in the various countries in which it operates, its corporate culture is based on a policy aimed at of prevention of the corporate criminal liability of companies, in line with the principles and methods of the 231 Model but also with reference to local laws of the countries where Brembo operates.

This involves:
- a risk assessment based on the potential offences/risks applicable to the subsidiary's business;
- identification of sensitive areas with a view to assessing which corporate areas/sectors are at risk of commission of the offences;
- the adoption of preventive procedures/measures to avoid the commission of offences;
- dissemination and training;
- monitoring and auditing of the sensitive activities and preventive procedures/measures.

Currently, the Brembo Compliance System is based on three levels of compliance:

1) the implementation by each subsidiary of the local compliance programme, by each subsidiary according to local law;
2) the Brembo Compliance Guidelines to maintain high ethical standards throughout the Group, while and also preventing potential corporate liability of the Corporate for crimes offences committed at subsidiaries;
3) the adoption by the Headquarters of the 231 Model by the Headquarters and appointment of and independent and autonomous body for its supervision, (the Supervisory Committee - SC).

To avoid possible conflicts between the local compliance programme and the guidelines issued at central level, the Principle of Prevalence applies: where local requirements are less stringent than those of the Headquarter, the latter will prevail in the definition of the local compliance programme.

Another important factor in the Brembo compliance system and therefore in the definition and maintenance of the corporate culture at global level is the relationship between the Corporate Supervisory Committee (the Italian SC) and the Top Management of each Subsidiary, i.e. the figure appointed by the local Board of Directors for the implementation of the compliance program in the Subsidiary itself. The two bodies are periodically in contact through meetings and exchanges of reports or questionnaires, to monitor the risks of non-compliance.

In order to identify, report and verify any episodes or conduct that are unlawful or in conflict with Brembo's internal regulations, Brembo, in compliance with the Directive (EU) 2019/1937, has adopted a Whistleblowing Procedure that establishes and regulates the internal channels for reporting misconduct and irregularities.

Brembo has implemented an official reporting channel, i.e. a dedicated platform aimed at properly and timely managing reporting of violations related to:

- regulatory provisions within the scope of Brembo Group's activity;
- 231 Model (with the involvement of the Supervisory Committee, where necessary);
- other Brembo corporate codes of conduct, policies and procedures.

Through, computer methods and encryption tools, this platform guarantees the confidentiality of the identity of the reporter, the persons involved, as well as the content of the report and the related documentation.

The reporting channel is managed by the Brembo's Internal Audit GCF, an autonomous office with staff specifically trained to manage the reporting channel, as specified in the procedure relating to whistleblowing reports and as requested by the relevant EU Directive.

Any person related to Brembo Group's business, such as employees and collaborators, suppliers and customers, shareholders and persons with administrative, management, control, supervisory or representative functions has the opportunity to report - through the dedicated channels - any cases of violations and irregularities without fear of potential retaliation; the system is structured according to the legislation in force in the country in which Brembo operates. Specifically:

- in compliance with the current European Directive (2019/1937), at the European subsidiaries (including the Headquarters) a software is in place for handling whistleblowing reports;
- in non-EU subsidiaries, different tools are in place (the Red Flag software in the U.S. and Mexico , the AloEtica software in Brazil, or dedicated email boxes at subsidiaries where a dedicated software is not implemented).

The whistleblower may choose to send the report to the Parent Brembo N.V. or to the local internal channel.

The mechanism is regulated by a specific company procedure available on the Intranet or on the website.

Brembo has implemented different kinds of information and/or training reserved to all employees:

- e-mail communications;
- news on the Intranet and on the plants' notice boards
- news in the Company house organ;
- the procedure is available in the Intranet and on the website.

A specific module is included in the training courses dedicated to new hires and in the refresher sessions on safety & compliance training courses.

More generally, Brembo provides various training methods regarding business ethics, aimed at making interested parties aware of the provisions of the compliance system, the reasons for implementing the latter and the main conduct to be adopted to prevent the commission of offence.

The training methods vary, in terms of content and mode, depending on the role of the recipients, the level of risk associated with the area in which they operate, as well as on whether they are entitled to represent Brembo vis-à-vis third parties. In addition to the training delivered in a "traditional" way through classroom lessons, another method involves the distribution of multimedia materials to employees (managers, middle managers and office workers) for self-learning. This particular mode of training delivery has been considered particularly effective as it allows:

- to keep track of the documentation used for training purposes and the recipients of the training;
- to certify of course attendance, with monitoring of the beginning and end of each course;
- to monitor the effectiveness of the course through its review based on the score obtained in the test-out.

Every year the training plan is submitted for review to the Supervisory Committee, which on a quarterly basis also receives an update of the numbers of the trained persons.

In order to ensure compliance with the regulations and maintain virtuous business conduct, for improve a group culture of prevention purposes, the Group has identified the functions that are most at risk of episodes of active and passive corruption in the different sensitive areas:

- Executive Chairman, CEO and other Executive Directors
- GCFs:
  - Business Development GCF
  - Legal and Corporate Affairs GCF
  - People & Organization GCF
  - Purchasing GCF
  - Sustainability and Risk GCF
- Other GCFs with specific areas:
  - Administration & Finance GCF with Tax, Treasury, Import/Export areas
  - Industrial Operations GCF with Environment & Energy, Health & Safety, Real Estate Development areas and Plants
  - R&D GCF with Intellectual Property Rights area
- GBUs with specific areas:
  - Logistics
  - Sales

G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

In pursuit of a virtuous process of continuous improvement of product quality and risk management, Brembo constantly monitors the indicators relating to the quality and cost of supplies, assessing the risks inherent in the supply chain, such as the increase in the supplier's dependence on Brembo and Brembo's dependence on the supplier, and financial solidity, thus highlighting possible critical situations.

Approximately 90% of procurement[40] comes from local suppliers, i.e. suppliers located in the same geographical areas in which the Group operates, as Brembo aims to improve the efficiency, responsiveness and sustainability of the supply chain, while supporting the local economies in which it is located.

The Group also provides incentives to its Purchasing team members, aimed at encouraging the team to prioritize sustainable practices in procurement decisions. For example, a significant share of Purchasing staff and executives have performance objectives that include targets designed to enhance suppliers' sustainability performance, i.e. their environmental management practices and adherence to sustainable production processes.

These targets are linked to the performance of suppliers providing products and services to Brembo, both direct and indirect and they are measured against suppliers' ESG scores (e.g., scores obtained through ESG questionnaires or on-site third-party audits) as well as the participation to other ESG initiatives (e.g., suppliers' emissions data collection campaign for Scope 3 calculation).

With the aim of guaranteeing solidity and quality throughout its supply chain, Brembo has defined a structured process for the evaluation and approval of new key suppliers. The first phase of the process involves inviting suppliers to register on the Brembo's procurement platform and completing a pre-assessment questionnaire. This first phase of analysis allows Brembo to perform a preliminary screening of potential suppliers and refrain from establishing commercial relationships with those who do not comply with the minimum

40 This includes the purchase costs of goods and services directly involved in the production of finished goods, i.e. the purchase of: raw materials, components, semi-finished and finished products, auxiliary materials and services – mainly transport, utilities, packaging and MRO. The provision of services not strictly associated with production, such as ICT and telephony costs, cleaning, security and canteen services, is also included. Tax and legal advice, insurance, sponsorships, business travel, recruitment and training activities, property leases and industrial assets are excluded.

requirements, to identify in advance any critical issues relating to new potential suppliers and to implement corrective actions accordingly. The questionnaires are analysed by the Purchasing, Administration & Finance, Quality and Sustainability & Risk Global Central Functions (GCFs) with the aim of assessing operational, financial and sustainability risk profiles. Once the pre-assessment phase has been successfully completed, direct material suppliers receive site visits from the Quality GCF to verify that quality and process requirements are effectively met. Once the approval process has been completed, the supplier becomes eligible for new business awarding.
The assignment of a specific supply takes place through the benchmarking of the various offers received on the basis of the following evaluation criteria:

A. Compliance with technical specifications
B. Technological and innovation capabilities
C. Quality and service
D. Economic competitiveness
E. Sustainability performance

In the area of sustainability, since 2023, over 600 direct and indirect suppliers have been invited to register on a digital platform managed by an external provider to complete an ESG assessment questionnaire.
This questionnaire is based on the SAQ 5.0 model, which was established as part of the Drive Sustainability initiative led by major global players in the automotive industry. This allows Brembo to align itself with the sustainability guidelines of its reference supply chain, ensuring timely compliance with emerging regulations and the most consolidated international sustainability due diligence standards. During the pre-assessment phase, suppliers are evaluated based on the outcomes of this assessment and Brembo's Sustainability department is responsible for the evaluation of any suppliers not reaching a minimum acceptable threshold. Part of the indirect suppliers, which have not been identified as critical for Brembo and are not exposed to significant ESG risks, are required to only complete a simplified questionnaire instead, encompassing also ESG topics.

In addition, in collaboration with external independent auditors, Brembo has been conducting third-party ESG audits on suppliers for years with the specific aim of assessing compliance with the sustainability standards imposed by the Group. With regard to this initiative, in 2024 Brembo launched a review of the ESG audit management procedure — established in 2018 — to strengthen the Group's approach to managing supplier non-conformities on a global scale and improve oversight throughout the supply chain. This procedure defines the criteria for the selection of suppliers involved in audits, the processes for managing third-party audits, the related follow-ups and any corrective actions. It also establishes minimum expectations for suppliers, including specific scoring requirements and threshold levels, to ensure alignment with Brembo's ESG standards.

The parameters for selecting suppliers involved in ESG audits are: the country of origin of the supplies, the turnover with the Brembo Group, the type of production process, as well as any other ESG indicators (i.e., outcomes from previous ESG assessments). The objective of third-party audit aims at identifying critical issues impacting areas such as: working conditions, pay and working hours, health, safety, management systems and the environment. For each non-conformity reported, suppliers are required, to develop corrective action plans, which are then monitored by Brembo using the same third-party assessor. To date, Brembo has involved 160 suppliers in sustainability-related audits certified by third parties, of which 31 in 2024 (25 direct suppliers and 6 indirect suppliers). Of these, 8 (7 direct suppliers and 1 indirect supplier) were identified as having significant negative environmental and social impacts, both potential and actual. Without suspending collaboration, Brembo has agreed on environmental and social improvement actions with each of these suppliers and follow-up audits were planned to remedy the non-conformities detected, in line with the Group's objective of accompanying its suppliers towards an increasingly sustainable approach to business.

Finally, it should be noted that, although currently Brembo does not have a specific and formalised policy governing any late payments, a procedure is in force for European markets that defines payment terms in accordance with the relevant EU directive, while in other countries Brembo complies with local payment practices.

G1-3 PREVENTION AND DETECTION OF CORRUPTION OR BRIBERY

As mentioned in paragraph (G1-1) Business conduct policies and corporate culture, Brembo has adopted an Antibribery Code of Conduct worldwide to prevent, detect and address allegations of active and passive corruption, in line with the principles set out in the Code of Ethics and according to international best practices. Both documents are integral parts of the 231 Model.

The purpose of the Antibribery Code of Conduct is to ensure transparency, provide clarity on acceptable behavior and comply with relevant anti-corruption legislation wherever in the world one is conducting business for Brembo. The aim of the Code is to ensure that the highest standards of integrity are maintained. The code also sets out Brembo's policy on the giving and receiving of gifts, hospitality and entertainment, and one's responsibilities. According to the Antibribery Code of Conduct no one — director, officer or other employee, consultant, agent, representative, supplier or business partner — shall, directly or indirectly, give, offer, request, promise, authorise, solicit or accept bribes or any other perquisite (including gifts or gratuities, with the exception of commercial items universally accepted in an international context of modest economic value, permitted by applicable laws and in compliance with the Code and all applicable practices and procedures) in connection with their work for Brembo at any time or for any reason.
In addition to the assignment of specific responsibilities detailed by the Antibribery Code, a further preventive measure for acts of corruption is the separation of Internal Audit GCF from management, whose function is precisely to investigate allegations or episodes of corruption and bribery that could also involve the management itself.

Consequently, the Chief Internal Audit Officer is not responsible for any operational area, has direct access to all the information necessary for the performance of his duties and reports on his/her or her work at each meeting of the Audit, Risk and Sustainability Committee (ARSC) and the Supervisory Committee. The Internal Audit global central function should also inform the Board and the Chair of the ARSC without delay if, in the performance of its duties, it discovers or suspects an instance of material misconduct or irregularity.

In addition, it can rely on the existing entity-level controls which contribute to mitigate corruption and bribery risk, such as delegation of authorities and power of attorney, segregation of duties, the 231 Model and the related training on 231 compliance; remuneration policy, accounting policies, internal audits on group legal entities, investigations performed as a result of Whistleblowing reporting, whistleblowing communication campaign.

Finally, process-entity controls are in place in procurement, production, real estate development, finance, human resources, research & development, marketing, sales, logistics and more generally in all the subprocesses which could generate a bribery and corruption risk.

As already mentioned, the Antibribery Code of Conduct, like other relevant Group policies, is available to all company employees and stakeholders, as it is published in full on the Company's Intranet website and on the Brembo website.

In addition, new hires are provided with an information package (National Collective Agreement, Code of Ethics, welcome kit, etc.), aimed at ensuring awareness of the Company principles. New hires will be required to provide Brembo with a signature on a dedicated register certifying that they have received the information package.

For further details on anti-corruption and anti-bribery training activities, please refer to section G1-1.

With regard to the training provided specifically to administrative, management and control bodies, it should be noted that upon their first appointment, directors are trained on the compliance system, and in particular on the Code of Ethics and on the 231 Model, which also includes anti-corruption rules. Subsequently, when various updates are made to the Code of Ethics, the Antibribery Code and the 231 Model, the new applicable regulations, sensitive activities and safeguards implemented by the company are presented to them.

G1-4 INCIDENTS OF CORRUPTION OR BRIBERY

Brembo currently has no legal proceedings outstanding for corruption or bribery. As such, the number of convictions and the amount of fines for violation of anti-corruption and anti- bribery laws for Brembo in 2024 is 0.

As consequence, no convinctions or fines have been registered in 2024. For this reason, no remediation actions were needed.

G1-6 PAYMENT PRACTICES

Brembo group's contractual terms of payment are in line with main regulations (e.g. for EU, n° 2011/7 Directive). At Worldwide level, Brembo's average standard contractual payment terms are around 60 days. In 2024, the average time taken to pay an invoice from the date when the contractual payment term starts to be calculated was of around 67 days.

This average expresses the Group's average performance across all supplier categories and regions.

The calculation consider all invoices paid during year 2024.

To calculate the days of payables outstanding, the invoice amounts are weighted for the related payment days (theoretical and actual) in order to obtain the overall weighted average.

In 2024, no material legal proceedings started in connection with claims for late payments to suppliers.

ROBUST, TRANSPARENT AND EFFECTIVE GOVERNANCE.

In a rapidly changing global scenario such as the current one, the cornerstones of our Corporate Governance represent a solid and secure starting point to refer to.
Effective and transparent procedures, rules and principles that are open to change, the tangible results of which can be seen in the Group's performance.

4.

CORPORATE GOVERNANCE

4.1 COMPANY PROFILE

As of the cross-border transaction from Italy to the Netherlands (the "Cross-Border Conversion"), effective 24 April 2024, Brembo N.V. ("Brembo" or the "Company") adopted the legal form of a public company with limited liability (*naamloze vennootschap*) governed by the laws of the Netherlands and relocated its registered office to Amsterdam, the Netherlands. At the same time, Brembo established its business and corporate headquarters (as secondary office with permanent representation pursuant to Article 2508 of the Italian Civil Code), at Via Stezzano 87 in Bergamo, Italy. The Company retained its tax residence and principal place of business in Italy.

Following the Cross-Border Conversion, the Company, listed on the Milan Stock Exchange since 1995:

- has elected the Netherlands as its home Member State for the purposes of article 2(1) of Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 (the so-called "Transparency Directive"), as incorporated into the Dutch Financial Supervision Act (*Wet op het financieel toezicht*);
- has adopted a one-tier board structure as provided for by Dutch laws, with a Board of Directors consisting of Executive Directors and Non-Executive Directors, the latter being also in charge of supervising the Executive Directors' activities;
- applies the Dutch Corporate Governance Code (the "DCGC"), whose purpose is to facilitate, in accordance with or in relation to other laws and regulations, a sound and transparent system of checks and balances within Dutch listed companies and, to that end, regulate relations between the Board of Directors, its Committees (Audit, Risk and Sustainability Committee and Remuneration and Appointment Committee) and shareholders[1].

To promote a corporate governance model aligned to the best practices, Brembo constantly monitors the governance principles and models generally adopted at the European (the Netherlands and Italy included) and international levels and compares them with its own structural and organizational elements for continuous improvement purposes.

Furthermore, since the Cross-Border Conversion regarded only the registered office of the Company, with no impact on Brembo's legal relations, and since all the activities, people and management of Brembo remain located in Italy, the Organizational Model pursuant to Italian Legislative Decree No. 231/2001 continues to be applied seamlessly; at the same time, the Company's Supervisory Committee provided for under Legislative Decree No. 231/2001 (*Organismo di Vigilanza*) continues to operate, and monitor the adequacy of and the compliance with the Brembo organization, management and control model adopted pursuant to Article 6 of the said Legislative Decree No. 231/2001 (the "231 Model").

1 It should be noted that the provisions of the DCGC primarily refer to companies with a two-tier board structure (consisting of a management board and a separate supervisory board), while Brembo has implemented a one-tier board. The best practices reflected in the DCGC for supervisory board members therefore apply by analogy to Non-Executive Directors. Brembo's Board of Directors recognizes the importance of good corporate governance and agrees with the general approach and most of the provisions of the DCGC; nevertheless, the deviations from the DCGC's best practices, in accordance with the "comply-or-explain principle", are set forth in Paragraph 3.8 "Compliance with the DCGC".

4.2 INFORMATION ON SHARES AND SHAREHOLDING STRUCTURE

4.2.1 CAPITAL STRUCTURE AND ITS EVOLUTION

According to the Company's articles of association ("AoA"), Brembo has an authorized share capital amounting to €16,172,500, divided into ordinary shares and nine different classes of special voting shares (from A to I) ("Special Voting Shares" or "SVS"). The subscribed and fully paid-up share capital amounts to €7,007,202.04 and is made up of 333,922,250 ordinary shares, with a nominal value of €0.01 each, 9,135,412 Special Voting Shares A, with a nominal value of €0.01 each, and 178,831,271 Special Voting Shares B, with a nominal value of €0.02 each.

The current capital structure is the result of a series of amendments made in 2024 in the context of the Cross-Border Conversion. On 12 January 2024, before the finalization of the Conversion, Brembo announced a reinstatement of the par value of its ordinary shares, with voluntary share capital decrease, pursuant to Article 2445 of the Italian Civil Code, from €34,727,914.00 (subscribed and fully paid up, divided into 333,922,250 ordinary shares, without nominal value, with a unit par value of €0.104 each) to €3,339,222.50 (subscribed and fully paid up, divided into the same number of ordinary shares, without nominal value, with a unit par value of €0.01 each). The decrease was carried out without cancellation of shares and without any reimbursement of capital to shareholders, therefore, this decrease had no impact on Brembo shareholders' capital and administrative rights.

Said reinstatement of shares, resolved upon by the Shareholders' Meeting of 27 July 2023, was necessary for Brembo to comply with the Dutch legal framework, which does not allow public companies with limited liability to issue shares whose nominal value consists of more than two decimal places. Therefore, to specify into the AoA a nominal value of ordinary shares with only two decimal places, it had been necessary to proceed with the reinstatement. Furthermore, Dutch public companies with limited liability are not allowed to issue shares without express indication of nominal value and are required to specify the nominal value in their articles of association; therefore, a nominal value of €0.01 each was allocated to the ordinary shares in the AoA, effective as of the Cross-Border Conversion. At the same time, the share capital decrease was also aimed at creating the special capital reserve, to issue the Special Voting Shares to the shareholders who accrue the relevant right (as better explained in paragraph 2.2 below), drawing from the capital reserve, without any need to amend the AoA.

The current situation of the Company's subscribed share capital is the following:

	Updated situation		
	Paid-up share capital Euro	No. of shares making up the share capital	No. of voting rights
Ordinary shares Nominal value: €0.01	3,339,222.50	333,922,250	333,922,250
Special Voting Shares A Nominal value: €0.01	91,354.12	9,135,412	9,135,412
Special Voting Shares B Nominal value: €0.02	3,576,625.42	178,831,271	357,662,542
Total	**7,007,202.04**	**521,888,933**	**700,720,204**

For further information on the share capital, please see the Brembo website: **Share Capital | Brembo Corporate**.

Payment of dividends

Brembo intends to retain part of its future net income to fund the growth and development of its business. Therefore, Brembo adopted a Dividend Policy, most recently updated by the Board of Directors on 24 April 2024, following the Cross-Border Conversion.

According to the Dividend Policy, the Company may only make distributions to its shareholders insofar as its equity exceeds the amount of the paid-in and called-up part of the issued capital plus the reserves as required to be maintained by Dutch law. The Board of Directors may, subject to Dutch law and the AoA, resolve to pay a dividend on the shares from one or more of the reserves that do not need to be maintained pursuant to Dutch law.

As the Company is an industrial holding company that conducts its business directly and through its subsidiaries, the Company's ability to pay dividends also depends on its subsidiaries' distributions to the Company. The amount and timing of any dividend distributions, however, depends on the laws of the subsidiaries' respective jurisdictions.

Every year, the Board of Directors determines the amount of profits to be added to reserves, considering the financial condition, earnings, cash needs, working capital developments, capital requirements (including requirements of subsidiaries) and any other factors that the Board of Directors deems relevant to determining such amount.

The Company's ability and intention to declare and pay dividends in the future mainly depend on its financial position, results of operations from the Company and its subsidiaries, investment prospects, the existence of distributable reserves and available liquidity, and such other factors as the Board of Directors may deem relevant.

4.2.2 SPECIAL VOTING SHARES

As of the effective date of the Cross-Border Conversion, the AoA include a Special Voting Shares mechanism according to which loyal shareholders are eligible for allotments of Special Voting Shares, which grant additional voting rights to shareholders who are entitled to them by virtue of holding ordinary shares for a continued period. Such mechanism has strengthened shareholder engagement in a more effective manner; indeed, it is believed that a stable shareholder base is more likely to support long-term growth strategies aimed at fulfilling the Group's development through acquisitions and consolidation of companies.

The granting of additional voting rights according to the mechanism occurs through the matching of newly issued SVS with Brembo ordinary shares. SVS are provided for by the AoA and consist of nine (9) different classes of shares (numbered as A, B, C, D, E, F, G, H and I) that allocate an increasing progressive number of votes from 1 to 9 and are issued and allotted to loyal shareholders based on the holding period of their ordinary shares.

To benefit from the Special Voting Shares mechanism, shareholders must register their ordinary shares with the loyalty register established by Brembo and managed by Computershare S.p.A. by completing and submitting the relevant election form published on the Company's website at the page: **Special Voting Shares | Brembo Corporate**. After one year of the registration of an ordinary share in the loyalty register, the Company assigns one Special Voting Share A (granting 1 additional vote) for each ordinary share held for a continuous period of one year and, so that the relevant shareholder will be entitled to exercise a total of 2 votes for each such ordinary share. On each subsequent anniversary of registration in the loyalty register (and until the ninth anniversary), shareholders who have retained the ownership of the ordinary shares registered in the loyalty register shall be entitled to exercise an additional 1 vote (up to a maximum of 9 additional votes) by converting their Special Voting Shares — to which their ordinary shares are matched — into the next class of Special Voting Shares (i.e., starting from converting SVS A into SVS B and so forth). Therefore, for each such ordinary share held, the shareholder is allocated an increasing number of additional voting rights up to a maximum of 9 voting rights (i.e., 10 voting rights in total per ordinary share), with the allotment of Special Voting Share I.

Special Voting Shares cannot be transferred to third parties, except under certain circumstances as specified in the SVS terms and conditions ("SVS Terms"). Ordinary shares associated with them, on the other hand, are freely transferable. However, to transfer such ordinary shares, shareholders must first request their deregistration from the loyalty register by completing and submitting, in the manner specified in the SVS Terms, the relevant form. As a result thereof, shareholders will no longer be entitled to the SVS associated with the relevant ordinary shares and the related voting rights.

4.2.3 MAJOR SHAREHOLDERS

On 31 December 2024, the Company has the following ownership structure:

Shareholders	No. of ordinary shares	% on ord. shares	No. of SVS A	No. of SVS B	Total (ord.+ SVS A + SVS B)	No. of voting rights	% voting rights	Share capital owned (Euro)	% on total share capital
Nuova Fourb S.r.l.	178,859,605	53.56%	135,840	178,723,765	357,719,210	536,442,975	76.56%	5,364,429.75	76.56%
Brembo N.V. (treasury shares) *	15,051,860	4.51%	6,490,608	-	21,542,468	21,542,468	3.07%	215,424.68	3.07%

* Voting rights suspended.

** For the updated situation of the major shareholders, please visit: Stock information | Brembo Corporate.

4.2.4 ISSUANCE OF SHARES – PRE-EMPTIVE RIGHTS

The Board of Directors is now vested by the AoA with the power to issue shares until 24 April 2029, to the extent of the non-issued shares of the Company's authorized share capital from time to time. After that period, shares may be issued pursuant to a resolution of the general meeting. The general meeting may also resolve to grant the Board of Directors the power to issue shares for a maximum period of five years, which can be extended each time for a maximum period of five years. Upon resolving to issue shares, the Board of Directors must determine the issue price and the other conditions of issuance in the resolution to issue.

Each holder of ordinary shares will have pre-emptive rights on the newly issued shares, in proportion to the aggregate number of their ordinary shares. The Board of Directors may resolve to restrict or exclude pre-emptive rights, as vested with the relevant power by the AoA until 24 April 2029; after that period, the general meeting may resolve to restrict or exclude pre-emptive rights or may designate the Board of Directors to do so.

Within eight days following the adoption of a resolution providing for the issuance of shares, for the designation of the Board of Directors to issue shares, for the restriction or exclusion of pre-emptive rights or for the designation of the Board of Directors to restrict or exclude pre-emptive rights, the Board of Directors shall file the full text of the resolution at the office of the Dutch trade register.

4.2.5 REPURCHASE OF SHARES

The shareholders' meeting held on 23 April 2024 approved a plan for the buy-back of own shares ending on 23 October 2025, thus for a maximum period of 18 months. This authorization, pursuant to Article 2357 of the Italian Civil Code and section 2:98 of the Dutch Civil Code, entails: the purchase of a maximum of 8,000,000 own shares for up to €144,000,000 and the sale of all own shares held, in one or more tranches, for a maximum period of 18 months, at the following conditions:

a) for a minimum price per share not lower than the closing price of the ordinary shares on the day preceding each repurchase reduced by 10% and for a maximum price not higher than the closing price of the ordinary shares on the day preceding each repurchase increased by 10%, to be taken from unrestricted reserves;
b) according to one of the methods provided for by the combined provisions of articles 132 of Italian Legislative Decree 58/1998 (hereinafter "Italian TUF") TUF and 144-*bis* of the Issuers' Regulation, where applicable, taking into account the specific exemption provided for by paragraph 3 of the same article 132 of Italian TUF, and section 2:98, paragraph 5, of the Dutch Civil Code and, in any case, by any other means permitted by the laws and regulations applicable from time to time.

For further details, please visit the Company's website at the following link: **Stock information | Brembo Corporate**.

4.3 CORPORATE GOVERNANCE

4.3.1 BOARD OF DIRECTORS

As of the Cross-Border Conversion Brembo has adopted a one-tier board structure, without a board of statutory auditors. Such conversion has not resulted in any changes to the Board of Directors appointed on 20 April 2023 (see table at page 135), which will remain in office until the end of the annual general meeting to be held in 2026.

Adopting this type of system, the Board of the Company is composed by:

- executive directors having responsibility for the day-to-day management of the Company ("Executive Directors"); and
- non-executive directors not having such day-to-day responsibility ("Non-Executive Directors", and together with the Executive Directors, the "Directors"), but supervise the work of the Executive Directors, the general course of affairs of the Company and its subsidiaries. Moreover, certain specific resolutions set out in the regulations of the Board of Directors ("Board Rules") require the approval of the Non-Executive Directors. [2]

The Board of Directors, with the Cross-Border Conversion taking effect, confirmed Mr. Matteo Tiraboschi as Executive Chairman and Mr. Daniele Schillaci as Chief Executive Officer.

2 Please see the paragraph 6 and the Schedule 4 of the Board Rules.

4.3.1.1 COMPOSITION OF THE BOARD OF DIRECTORS FOR THE THREE-YEAR PERIOD 2023-2025

The general shareholders' meeting held on 20 April 2023 appointed the Board of Directors for the three-year period 2023–2025, i.e., until the end of the annual general meeting to be held in 2026, based on the two lists submitted respectively by the majority shareholder Nuova Fourb S.r.l. and a group of asset management companies and other institutional investors (holding 2.372% of the share capital, overall).

The candidates for the three-year period 2023-2025 were nominated on the basis of the guidelines expressed by the then outgoing Board of Directors regarding the qualitative and quantitative composition of the new Board of Directors (total number, number of independent directors, length of term, gender balance, professional skills) and the related remuneration, published on 2 March 2023 and described in the Directors' report on the appointment of the Board of Directors, made available on the Company's website on 10 March 2023.

4.3.1.2 APPOINTMENT AND SUBSTITUTION OF THE BOARD OF DIRECTORS

Pursuant to the provisions of the AoA and the Board Rules, the Board of Directors of the Company may consist of a minimum of at least five and at most eleven Directors, comprising both Executive Directors and Non-Executive Directors.

The Directors are appointed by the general meeting as Executive Director or Non-Executive Director. The Board of Directors nominates one or more candidates for each vacant seat, with due consideration of the AoA, the Policy on Non-Discrimination and Diversity and, for the Non-Executive Directors, the Board profile (as described in the Board Rules).

At a general meeting, votes in respect of the appointment of a director can only be cast for candidates named in the agenda of the meeting or explanatory notes thereto.

The Board of Directors shall announce its nomination at the general meeting. The nomination shall include a statement of reasons, the candidate's age, profession, the amount of the shares held by him/her and the positions he/she holds or has held, in as far as they are relevant for the performance of his/her duties as Director.[3] At the nomination, the Board of Directors shall determine whether a Director is appointed as Executive Director or Non-Executive Director.

In light of the above, it is pointed out that:

- Executive Directors are appointed for a maximum period of four years, ending at the end of the annual general meeting which is held in the fourth calendar year after the calendar year in which such Executive Director was appointed.[4] An Executive Director shall be eligible for immediate re-appointment at the end of his/her term of office.
- Non-Executive Directors are appointed for a maximum period of four years, ending at the end of the annual general meeting which is held in the fourth calendar year after the calendar year in which such Non-Executive Director was appointed.[5] A Non-Executive Director can be reappointed once for an additional period of four years and, subsequently, again for a period of two years, which appointment can be extended by at most two years. For a reappointment after an eight-year period, reasons must be provided in the Non-Executive Directors report.

In addition to the above, the membership of the Board of Directors could end before the term according to the provisions set out in article 22 of the AoA and Board Rules.

3 In case of reappointment of a Director, account shall be taken of the manner in which the candidate has performed his/her tasks as a Director.
4 Except for the first mandate considering that the Cross Border Conversion, effective 24 April 2024, has not resulted changes to the composition of Brembo's board of directors, whose members will remain in office after the effective date and until the date of the annual general meeting to be held in 2026.
5 See note 4.

2024 Brembo's Board of Directors

Office held	Name and surname	Nationality	Year of birth	Gender	Date of first appointment (*)	In office from	In office until	Indep. as per DCGC	Attendance rate at 2024 meetings (**)	Other offices held (***)	Attendance rate at Shareholders' Meetings	Member Audit, Risk and Sustainability Committee	Attendance rate at 2024 ARSC meetings	Member Remuneration and Appointment Committee	Attendance rate at 2024 R&AC meetings
Executive Chairman	Matteo Tiraboschi	Italian	1967	Male	24.04.2002	20.04.2023	End of the annual general meeting to be held in 2026		100%	-	100%				
Chief Executive Officer	Daniele Schillaci	Italian	1964	Male	28.06.2019 (co-option)	20.04.2023	End of the annual general meeting to be held in 2026		100%	-	100%				
Executive Director	Cristina Bombassei	Italian	1968	Female	16.12.1997 (co-option)	20.04.2023	End of the annual general meeting to be held in 2026		100%	-	100%				
Executive Director	Roberto Vavassori	Italian	1959	Male	17.12.2021	20.04.2023	End of the annual general meeting to be held in 2026		100%	-	100%				
Non-Executive Director	Elisabetta Magistretti	Italian	1947	Female	23.04.2020	20.04.2023	End of the annual general meeting to be held in 2026	X	100%	-	100%	X(Chair)	100%		
Non-Executive Director	Elizabeth M. Robinson	USA/Italian	1956	Female	23.04.2020	20.04.2023	End of the annual general meeting to be held in 2026	X	100%	-	100%			X	100%
Non-Executive Director	Manuela Soffientini	Italian	1959	Female	03.03.2022 (co-option)	20.04.2023	End of the annual general meeting to be held in 2026	X	100%	3	100%	X	100%	X	100%
Non-Executive Director	Gianfelice Rocca	Italian	1948	Male	29.04.2011	20.04.2023	End of the annual general meeting to be held in 2026	X	100%	2	100%				
Non-Executive Director	Umberto Nicodano	Italian	1952	Male	03.05.2000	20.04.2023	End of the annual general meeting to be held in 2026		100%	-	100%				
Non-Executive Director	Giancarlo Dallera	Italian	1946	Male	20.04.2023	20.04.2023	End of the annual general meeting to be held in 2026	X	100%	-	100%			X (Chair)	100%
Non-Executive Director	Michela Schizzi (****)	Italian	1982	Female	20.04.2023	20.04.2023	End of the annual general meeting to be held in 2026	X	86%	1	100%	X	100%		
Number of meetings held during the year of reference (2024)									BoD: 7 (*****)		SHM: 1		ARSC: 10		R&AC: 3

(*) This column shows the date on which the Director was appointed by the general shareholders' meeting as a Director of Brembo for the first time; 'co-option' means the date of co-option by the Board of Directors.
(**) This column shows the Directors' attendance rate at the meetings held by the Board of Directors or Board committees in 2024 (No. of times attended/No. of meetings held during the Director's actual term of office).
(***) This column shows the total number of offices as board member in different companies — the maximum number of positions may be:

1. pursuant to the policy set out by the Company: a maximum of four (4) positions/offices at listed companies; or
2. pursuant to Dutch law:
   - for Executive Directors: (i) a maximum of two supervisory or non-executive positions at large Dutch companies and (ii) no chairperson position of the supervisory board or one-tier board at a large Dutch company;
   - for Non-Executive Directors: a maximum of five supervisory or non-executive positions (including the non-executive position at the Company) at large Dutch companies.

(****) The candidature of Director Michela Schizzi was submitted by a group of shareholders representing 2.372% of the share capital.
(*****) Furthermore, on two occasions, the Board of Directors took resolutions in writing concerning the allocation / transfer of the SVS A (utilized the Brembo Treasury SVS A) to a various shareholders having rights pursuant to the provisions set out in the AoA and in the SVS Terms.

Professional profile of the Directors currently in office

A short professional profile of each Director, with his/her personal and professional features, is included hereinafter, and is also available on the Company's website[6].

MATTEO TIRABOSCHI

Executive Chairman

Born in Bergamo in 1967, he has been Executive Chairman of Brembo Group since December 2021. From 2011 to 2021 he held the role of Executive Deputy Chairman and since 2002, the year he joined the company as Chairman of a subsidiary, he has been a member of the Board of Directors of Brembo S.p.A. He has served in roles of increasing responsibility at Brembo, including at an international level, such as Head of Foreign Subsidiaries and Group CFO and Investor Relator.

After obtaining a degree in Economics and Business from the University of Bergamo, and after being admitted to the Bergamo Accountants Association and the Register of Statutory Auditors in 1995, he began his career at the Milan offices of a major auditing firm, where he remained for approximately four years. He then went into private practice for ten years as a Certified Public Accountant specializing in restructuring companies undergoing a crisis situation, bankruptcy proceedings, taxation and corporate matters, while also serving as Director and Statutory Auditor in various companies.

He has served as Director of two Italian SPACs and he has been a member of the Board of Directors of Milan Polytechnic since January 2017.

DANIELE SCHILLACI

Chief Executive Officer

Chief Executive Officer of Brembo since 1 July 2019.

Daniele Schillaci was born in Sicily, Italy, in 1964. After graduating in Industrial Technologies Engineering at the Polytechnic University of Milan in 1993, he has gained an experience of over 25 years in the automotive sector covering increasingly complex roles at an international level.

After his initial experience at Renault and then as Alfa Romeo Brand Manager at Fiat Auto, Schillaci joined Toyota covering positions of increasing responsibility in Spain and France until he was appointed Senior Vice President, Sales & Marketing Toyota Europe.

Since July 2015 he has worked in Japan in the role of Executive Vice President and Executive Committee Member of Nissan Motor Corporation, with responsibility as Head of Global Sales & Marketing and Electric Vehicles for all the Constructor's brands — Nissan, Datsun, Infiniti — focusing specifically on car production and market positioning.

He also served as President of Japan & Asia Region with responsibility for production, engineering, development, sales and marketing, as well as administration and finance and led Nissan's "Zero Emission Vehicles" project.

CRISTINA BOMBASSEI

Executive Director

She has been a Director at Brembo since 1997. From 2025, she has held the position of Chief Legacy Officer with the aim of preserving and promoting Brembo's history and heritage of values, as well as fostering the Group's positive social impact for the well-being of the local communities in which the company operates.

In 2013, she founded Brembo's Sustainability Department, which she led until 2024 with the goal of promoting the Group's commitment to Corporate Social Responsibility.

She has been President of AIDAF, the Italian Family Business Association, since 2023. She is a director of Kilometrorosso S.p.A. She is a member of the Executive Board of Comitato Leonardo. She is a member of the Board of Directors of OTB – Only The Brave. She is a member of the General Council of Confindustria Bergamo. She is an Honorary Member of the Fondazione Cesvi humanitarian organization.

She is a member of the Executive Board of the Sodalitas Foundation. She received the honour of Commander of the Order of Merit of the Italian Republic in 2021.

ROBERTO VAVASSORI

Executive Director

A manager with over 60 years of age, Roberto Vavassori began his collaboration with Brembo in 1978 and became an executive in 1986. His entire career has developed in the automotive sector within the Brembo Group, where he has held roles of increasing responsibility at an international level. Vavassori has always worked closely with the ownership, the Board, and the CEO, and he is recognized and respected as an expert in both the automotive and financial sectors, regularly participating as a speaker at conferences, including international ones. He possesses expertise in geopolitical issues, particularly those related to decarbonization and energy transition. He is well-versed in Italian and European regulations, frequently interacting with legislative authorities. He is skilled in drafting and analysing complex financial reports and plans and has been actively involved in acquisition operations. Vavassori serves as the President of BSCCB S.p.A., a joint venture between Brembo and SGL to produce carbon ceramic brake discs. From 2012 to 2015, he was the President of ANFIA, and he was re-elected for the 2023-2026 term. From 2016 to 2019, he was President of CLEPA, where he currently sits on the Board. He is a board member of the Mario Negri Institute for Pharmacological Research (IRCCS). Additionally, he is a member of the General Council of Confindustria at the national level and is part of the Technical Energy Group and the Strategic European Autonomy, Mattei Plan, and Competitiveness group. Vavassori is a member of the Lombardy Mobility Cluster's Steering Committee and serves as a board member of Kilometro Rosso and the International Piano Festival of Brescia and Bergamo.

MANUELA SOFFIENTINI

Lead Non-Executive Director

Born in 1959, she graduated in Economics in 1983 at the Università Cattolica of Milan. She started her professional life at Henkel Italia reaching the position of Product Manager Perlana and Dixan. From 1990 up to 1997 she worked as Marketing Manager first and then as Marketing and Sales Director at Nuova Forneria, a joint venture among the SME, Barilla and Ferrero groups (dealing in the food and snacks market). In 1997, she entered the Philips group: at the beginning in Philips Lighting as Manager Consumer Lamps and Batteries, establishing a new organization to develop the penetration of Philips in the Italian market (lamps and batteries); thereafter, in 2001 she was appointed General Manager of Philips DAP Italy. In 2008, she entered Philips Consumer Lifestyle, where she took the position of Deputy Chairwoman and General Manager responsible for the small domestic appliances and consumer electronics business, with the specific task to complete the integration of the two former organizations. In May 2012, she took the position of Chairwoman and Managing Director of Electrolux S.p.A., Major and Small Appliances and International, while in January 2021 she was appointed Chairwoman of Electrolux Italia S.p.A., the Italian holding of the Group.

6 www.brembogroup.com: Governance, Governing boards and committees.

She was President of Confindustria Applia Italy from June 2016 to June 2021. She was a board member at Pirelli S.p.A. from 2012 to 2016 and at Geox S.p.A. from 2016 to 2019 and has been a board member at Banco Bpm from 2017 to date.

ELISABETTA MAGISTRETTI

Non-Executive Director

She graduated with honours in Economics and Business Administration at the Bocconi University of Milan. She is registered in the Certified Public Accountants Register, as well as in the Auditors Register. From 1972 to 2001, she worked for Arthur Andersen becoming a partner in 1984. In 2001, she became Central Manager Head of Administration Governance at UniCredit. From 2006 to 2009 she served as Head of Group Internal Audit Department within UniCredit. She has also been Management Board member of Italian National Accounting Body and Board member of Interbank Deposit Protection Fund (until 2009), as well as member of the Supervisory Board of EFRAG. From 2011 to 2016 she served as non-executive independent director of Pirelli & C. S.p.A., from 2012 to 2020 as non-executive independent director of the Luxottica Group S.p.A. and from 2011 to 2023 as a non-executive director of Mediobanca-Banca di Credito Finanziario S.p.A. Currently, she is non-executive independent director of Smeg S.p.A. and since May 2024 of Yafa S.p.A. She is member of the Board of Statutory Auditors of UniCredit Foundation Ets and of Fondazione Italiana Accenture Ets, not for profit entities.

ELIZABETH MARIE ROBINSON

Non-Executive Director

She is co-founder and vice-chairwoman of Indaco Venture Partners SGR. Previously she served as Investment Director Venture Capital at Quadrivio SGR from 2014 to mid-2018, when she left that role to found Indaco. She also served as Venture Consultant for Sofinnova Partners in Paris from 2005 to 2008. She has been an Angel investor for over 10 years. Elizabeth has broad experience in life sciences and the development and granting of licenses for innovative pharmaceutical products. She was a co-founder of NicOx S.A. (1997) and President of NicOx Research Institute from 2006 to November 2022. She is a member of the Board of Directors of Brembo N.V., a listed company. Previously, she served on the Board of Directors of several companies operating in the life sciences sector in Italy including MolMed S.p.A. She was a member of the Fulbright Committee in Italy from 2007 to 2020. She is a Board member of the Penta Foundation, a no profit organization aiming to develop treatments for pediatric infectious diseases. She is also committed to actively support the education of girls living in underdeveloped areas and the cultural development of Italy's rural areas. In her career, Elizabeth has served as Director, Product Development, at Recordati Italy (1990-1996); Consultant, Technology Development, at Techint Engineering Company (1988-1990); Vice President, New Technology Ventures Europe, at Genzyme (1985-1988); Visiting Scientist at MIT (1984-1987); and Post Doctorate Research Associate at MIT (1982-1984). Elizabeth graduated Phi Beta Kappa from Wellesley College in 1977, received her M.S. in Chemical Engineering from Massachusetts Institute of Technology in 1979 and her Ph.D. in biotechnology from MIT in 1982.

GIANCARLO DALLERA

Non-Executive Director

He is the founder and executive chairman at Cromodora wheels S.p.A., a leader company in the design and production of alloy rims for the most prestigious car manufacturers, including Porsche, AUDI, BMW, Mercedes, JLR and Maserati. From 1985 to 2000 leader — first as CEO and later as group president — of the international business units of Hayes Lemmerz group, operating in the steel and alloy rims industry, with 13 establishments located in Europe, South America, South Africa and Asia, developing remarkable skills and experience in M&A and restructuring. In 1992 he was part of the executive team that led Hayes Wheels International Inc. to be listed on the NYSE. Currently, he is a member of the following boards: Banca Crelove (of which he is also a founding member), Guido Glisenti S.p.A., a company operating in the metallurgical industry. He was also board member at Brembo S.p.A. from 2003 to 2017. From 2009 to 2013 he was president of Associazione Industriali Brescia. In June 2018 he received the honours of "Cavaliere del Lavoro".

UMBERTO NICODANO

Non-Executive Director

After graduating from Milan university in 1974, he spent over five years with American IT multinational Sperry Univac as an in-house counsel. During his time with the company — first at the Italian subsidiary's offices, then at the European headquarters in London, and finally at the head office in Philadelphia — he gained significant experience in international litigation and contract negotiations.

Umberto left the company in 1982 after passing the bar exam and started practicing law at Erede Bianchi Giliberti, which later became Erede e Associati, where he became a partner. Umberto was a founding partner of Bonelli Erede Pappalardo (now BonelliErede) in 1999 and chairman of the partners' board from 2001 to 2007, thereafter continuing to serve as a board member. As a BonelliErede lawyer, he focuses his practice on corporate and M&A matters for listed and unlisted companies, particularly in all phases of extraordinary finance transactions. He has extensive experience in corporate governance matters and assists family businesses with the succession aspects of company management. Throughout Umberto's long career, he has served as director and member of board committees in numerous listed and unlisted companies. The listed companies he has served for (excluding the earlier ones) include Poste Italiane S.p.A. (independent director and chairman of the control and risk committee), Cerved S.p.A. (non-executive director and member of the remuneration and appointment and related party transactions committees), and Valentino Fashion Group S.p.A. (chairman of the board of directors and their deputy chairman). He has also been — and continues to be — a member of the board of directors of many unlisted companies among others in the fashion, telecommunications, renewable energy, and insurance (also serving as chief compliance officer) sectors. He also frequently assists financial sponsors and industrial operators in the automotive, industrial components, fashion/luxury and banking sectors.

GIANFELICE ROCCA

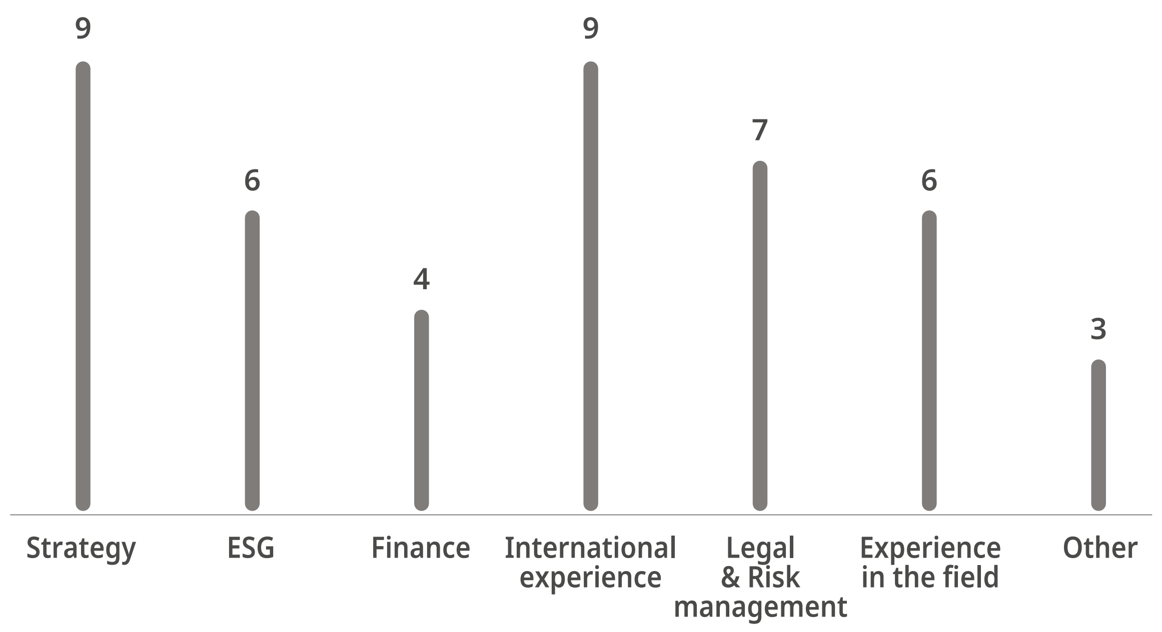
Non-Executive Director

He is president of the Techint Group. In the 1990s, he founded the Istituto Clinico Humanitas. Since November 2014, he has been a member of the Board of Directors at the Luigi Bocconi University. In July 2017, he became a member of the Board of Directors of the Leonardo da Vinci National Museum of Science and Technology Foundation. Since June 2020, he has served as Special Advisor for Life Sciences at Confindustria. From June 2013 to June 2017, he was President of Assolombarda. From May 2004 to May 2012, he served as Vice President of Confindustria with responsibility for Education, and from June 2012 to June 2016, he was a member of the EIT Steering Committee. In July 2024, he was appointed President of Fondazione Giorgio Cini. At the international level, he is Vice President of the Aspen Institute and a member of its Executive Committee. He is also a member of the European Advisory Board of Harvard Business School and a member of the European Round Table of Industrialists (ERT). Engaged in social and charitable activities, he chairs the Rocca Foundation and the Fratelli Agostino and Enrico Rocca Foundation. In 2007, he was appointed Cavaliere del Lavoro (Knight of Labour), and in 2009, he was awarded an honorary degree in Industrial Engineering from the Politecnico di Milano. In 2010, he received the "Premio Leonardo 2009" (Leonardo Award 2009), and in 2018, he was named Commendatore (Commander of the Order of Merit of the Italian Republic). He graduated cum laude in Physics from the University of Milan and completed a PMD (Program for Management Development) at Harvard Business School in Boston.

MICHELA SCHIZZI
Non-Executive Director
Born in Viareggio (Lucca), on 30 August 1982, she graduated in Law from La Sapienza University of Rome in 2006. In 2009, she also obtained an LLM in European Law from King's College London and was admitted to the Bar. In 2006, she joined the Rome office of the international law firm Cleary Gottlieb Steen & Hamilton LLP as an associate. In 2012, she joined Snam S.p.A., where she held positions of growing responsibility up to the role of Senior Vice President Regulated Business Legal Affairs. Within the Snam group, she also served as a member of the board of directors and audit committee of some of the Group's foreign subsidiaries. In 2020, she moved to the holding company of the Allianz insurance group where she is in charge, within the legal department, of the group's worldwide M&A transactions. Since the end of 2022, she has assumed the role of General Counsel in Cerved Group. As of June 2020, she has been a member of the Board of Directors of GVS S.p.A.

2024 Board of Directors' skills and competences matrix

Based on the individual questionnaires filled in by Directors as part of the 2024 board performance evaluation/assessment, the professional skills and competences set that emerged in the Board of Directors is the following:



The results of the 2024 board performance evaluation/assessment on the composition of the Board of Directors confirmed that it is aligned with the Board profile.

For the results of the evaluation pursuant to the DCGC, reference is made to the Report of the Non-Executive Directors (see paragraph 3.11).

4.3.1.3 ROLE OF THE BOARD OF DIRECTORS

The Board of Directors is charged with the management of the Company, which means that it is responsible for its continuity, and sustainable long-term value creation by the Company and its subsidiaries. The Board of Directors takes into account the impact and the actions of the Company and its subsidiaries have on people and the environment and to that end weighs the stakeholder interests that are relevant in this context. The responsibility for the management of the Company is vested collectively in the Board of Directors.

Moreover, the Board of Directors:
- shall externally express concurring views with respect to important affairs, matters of principle and matters of general interest, with due observance of the responsibilities of individual Directors;
- is responsible for compliance with all relevant laws and regulations;
- is responsible for the corporate governance structure of the Company and compliance with the DCGC;
- is responsible for creating a culture that contributes to sustainable long-term value creation of the Company;
- promotes a culture of openness and accountability within the Board of Directors.

In defining Brembo's strategy, the Board of Directors, supported by the Committees, is inspired by values that express a concrete and practical desire to further develop its commitment to the environment, in an ever more responsible relationship with nature and its resources.

This is expressed in the Group Sustainability Plan (see Sustainability Statement), which describes the objectives, initiatives, and projects that the company will implement to create long-term sustainable value for its shareholders, taking into account the interests of other stakeholders.

The principles that drive sustainable long-term value creation have grown and evolved over time through concrete day-to-day practices (as described in the Sustainability Statement) that aim to balance economic decisions with an assessment of their social and environmental impact, always taking into account the expectations of all the Group's stakeholders.

In this scenario, the Group Sustainability Plan defined by the Board of Directors continued to guide Brembo's strategy, in line with the UN 2030 Agenda. Brembo's activities encompass all ESG areas - environmental, social and governance - and consider their impact on the Group, as well as the Group's impact on people, communities and the environment.

Brembo's participation in the Global Compact is testimony to its long-standing commitment to sustainability, which over the years has been characterized by a growing focus on numerous fronts and its adherence to the 17 Sustainable Development Goals defined by the UN's 2030 Agenda.

The willingness of the Board of Directors to operate in an increasingly responsible manner and to fully integrate sustainability into its business practices has led Brembo to implement a governance system dedicated to monitoring and managing these issues at a global level, as described in this Governance Report."

2024 Board of Directors' activities

Business plan	On 20 June 2024, the Board of Directors examined the Brembo Group's 2024-2028 business plan — in line with the 2030 target — which sets out the Company's strategic goals and the actions to be taken to achieve those goals in keeping with the pre-defined risk profile, to promote the Company's sustainable success.
Operations and delegated powers and significant transactions	During its meetings of 5 March, 9 May, 20 June, 30 July and 7 November 2024, the Board of Directors examined, assessed and monitored: • the performance and foreseeable evolution through information received from the Executive Directors, when presenting and approving the interim results; • the adequacy of the organizational structure of the Group and its administrative and accounting system; • the transactions with a significant strategic, operating, capital and/or financial impact carried out by the Company and/or its subsidiaries, assessing the relating risks and constantly monitoring their progress; • the significant transactions, which were deemed consistent with the resolutions passed by the Board of Directors; • the state of progress of the activities performed in the exercise of the delegated powers and of significant transactions and transactions in potential conflict of interest.
Group's growth strategies and related risks	With the participation of the Chief Business Development Officer and in some cases the various Chief Operating Officers, the Board of Directors periodically discussed and reviewed the Group's organic and non-organic growth strategies, including mergers and acquisitions, and analysed the related risks (meetings of 5 March, 20 June, 30 July and 7 November 2024).
Market performance and outlook, and strategically significant projects	During the meetings on 5 March, 9 May, 20 June and 7 November 2024, the Board of Directors examined, assessed and monitored the performance of, and outlook for, the automotive market, also considering the global geopolitical and economic situation, and received an update regarding the main significant projects and product evolution (Business Transformation).
Code of Ethics	Following the Cross-Border Conversion, on 30 July 2024, the Board of Directors approved the updated Code of Ethics. This was done with the aim of aligning it with the provisions of the applicable Dutch legislation.
Policy on Non-Discrimination and Diversity	In its meeting of 30 July 2024, according to the Dutch provisions, the Board of Directors approved the new Policy on Non-Discrimination and Diversity, the gender diversity target figures for the Executive Directors, the Non-Executive Directors and management and drew up a plan to achieve those targets. Taking into consideration that the current term of office — also following the Cross-Border Conversion — will expire at the end of the annual general meeting to be held in 2026, the targets provided for will be applicable starting from 2026.
Materiality matrix and disclosure of non-financial reporting	With reference to sustainability, the Board examined, assessed and approved: • at the meeting on January 30, 2025, the proposed double materiality, also taking into account the outcome of the survey conducted with internal and external stakeholders and the timetable of the process of collecting and preparing the 2024 Sustainability Statement (including the assurance activities plan by the firm commissioned); • at the meeting on 18 March 2025, this 2024 annual report which contains — in accordance with the Dutch provisions — the Sustainability Statement. Non-financial reporting rules under Dutch law have been constantly monitored through the reports by the Audit, Risk and Sustainability Committee.
Remuneration Policies[7]	In the area of remuneration policies, the Board of Directors (Non-Executive Directors, starting from 2025) reviewed and approved, with the prior favourable opinion of the Remuneration and Appointment Committee and with attendance at the meetings of the Chief Human Resources & Organization Officer: 1. on 5 March 2024: • the closing results of the short-term annual incentive plan (MBO 2023), and their consistency with the short-term policies previously adopted; • the proposals of the short-term annual incentive plan (MBO 2024); • the report on the remuneration policy 2024 and the remuneration paid report 2023; • the proposed remuneration for the Lead Non-Executive Director and increase in remuneration for the Chairwoman to the Audit, Risk and Sustainability Committee following the Cross-Border Conversion; 2. on 30 January 2025: • the proposals of the short-term annual incentive plan (MBO 2025); • the proposals for the new three-year incentive plan for top managers (2025-2027 LTIP); 3. on 18 March 2025: • the closing results of the short-term annual incentive plan (MBO 2024), and their consistency with the short-term policies previously adopted; • the closing results of the incentive plan for Executive Directors and top managers (2022-2024 LTIP), and consistency with the long-term policies previously adopted; • the remuneration policy 2025-2027 and the remuneration report 2024 (contained in this 2024 annual report — please see paragraph 4.5); • the regulation of the new LTIP 2025/2027.
Cross-Border Conversion	On 24 April 2024 the Cross-Border Conversion became effective, whereby the Company converted into a public company with limited liability (*naamloze vennootschap*) governed by the laws of the Netherlands, and the Board of Directors approved the following documents drafted pursuant to the Dutch provisions: • confirmation powers to the Executive Chairman and CEO; • SVS Terms; • Board Rules; • Audit, Risk and Sustainability Committee rules; • Remuneration and Appointment Committee rules; • shareholders engagement policy; • dividend policy; • procedure for handling inside and relevant information; • internal dealing procedure; • related party transactions procedure; • whistleblowing procedure. Moreover, the Board of Directors resolved — based on the resolution of the shareholders' meeting of 27 July 2023 — to establish a new secondary office of the Company in Italy. In the meantime, Matteo Tiraboschi was appointed as "Preposto" of the secondary office (pursuant to Italian law) and the existing powers of attorney and local units were confirmed.
Implementation of the Brembo Shareholder Engagement Policy	In accordance with the provisions of the Brembo Shareholder Engagement Policy, in 2024 the Executive Chairman (with the support of the Board of Directors' Secretary and the Chief Investor Relations Officer) periodically reported to the Board of Directors on the development and content of the dialogue and discussions with the current and/or potential shareholders and/or Investors of the Company. These activities were carried out during the following Board meetings: 5 March, 9 May, 30 July and 7 November 2024.

7 www.brembogroup.com: Governance, Documents, Remuneration Policies.

Adequacy of the internal control and risk management system	Regarding the Internal Control and Risk Management System, the Board constantly monitored the main aspects associated with the System in the context of the various improvement and development plans of the different processes. Monitoring activities included the periodic reports received during the meetings of 5 March, 30 July, 2024 and 18 March 2025 from the Director in charge of the Internal Control and Risk Management System and from the Audit, Risk and Sustainability Committee, the Supervisory Committee and the Chief Internal Audit Officer, thus confirming the adequacy of Brembo's Internal Control and Risk Management System and the soundness of the action plans identified by management to pursue risk prevention.
Internal Audit	During the meeting of 5 March 2024, the Chief Internal Audit Officer submitted to the Board of Directors the 2024 audit plan. In the meeting of 30 January 2025, as part of the Group's budget, the Internal Audit function's budget was also examined.
Workplace safety indicators	At its meeting of 20 June 2024, the Board of Directors analysed the safety performance and the related Group indicators, further exploring the programs launched at the global level to constantly increase Group security levels.
Independent auditors' fees	During the meeting of 5 March 2024, the Board of Directors, having heard the opinion of the Board of Statutory Auditors (before becoming subject to Dutch laws and adopting the one-tier board structure), approved the adjustment to the independent auditors' fees for the captive company Brembo Reinsurance AG. Moreover, following the Cross-Border Conversion, on 9 May 2024, the Non-Executive Directors resolved — based on the resolution of the shareholders' meeting of 27 July 2023 and having heard the opinion expressed by the Audit, Risk and Sustainability Committee — the economic proposals for the 2024 audit activities for the 2024 financial statements presented by Deloitte Accountants B.V. and Deloitte & Touche S.p.A. The 2024 audit fees for the non-financial statement were approved by the Non-Executive Directors, having heard the opinion expressed by the Audit, Risk and Sustainability Committee, on 30 January 2025.
Budget 2025	During the meeting of 30 January 2025, the Board of Directors analysed the 2025 budget, finding the targets set in it to be compatible with the risk types and profile identified, and adequate with a view to the sustainability of Brembo's business in the medium and long term.
Corporate transactions	Based on the resolutions approved by the Board of Directors in 2024, the main corporate transactions carried out are described below: • Investing in advanced connected mobility solutions by acquiring a stake in Spoke Safety, a U.S. startup specialising in the development of digital communication technologies between vehicles and the road ecosystem. With this investment, Brembo continues its journey to enhance its expertise in software and cloud connectivity for the digital innovation of its solutions. The goal is to facilitate the communication of braking systems with other connected elements in the surrounding environment. • Establishment of two new companies in France (Brembo France SAS) and Australia (Brembo Australia Pty Ltd.). • Placement of the entire stake of 55,800,000 ordinary shares in Pirelli & C. S.p.A. representing approximately 5.58% of the company's existing share capital. The sale of the entire stake of ordinary shares of Pirelli & C. S.p.A. was successfully concluded through an accelerated bookbuilding offer, led by BNP Paribas. • Signing of an agreement with Tenneco, a portfolio company of funds managed by affiliates of Apollo Global Management, Inc., for the acquisition of a 100% stake in Öhlins Racing, the leading manufacturer of premium, high performance suspension technology for motorcycles and cars in the Original Equipment, Motorsport, and Aftermarket segments. The acquisition was completed on 2 January 2025.
Board performance evaluation/ assessment	In the meeting of 7 November 2024, the Board of Directors — in accordance with best practice provisions 2.2.6-2.2.7 of the DCGC — examined and discussed the activity plan for the Board performance evaluation 2024 (second year of term). For the financial year 2024, activities were carried out by the Lead Non-Executive Director, assisted by/with support from Brembo's Legal and Corporate Affairs global central function. The outcome of the 2024 Board performance evaluation was shared in December 2024 and examined and discussed by the Board of Directors at its meeting of 30 January 2025. For a detailed description of activities and the related outcome, see paragraph 3.11.

4.3.1.4 RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors designates one of the independent Non-Executive Directors as Lead Non-Executive Director. The Lead Non-Executive Director is not a former Executive Director and is independent within the meaning of the DCGC.

In addition, the Board of Directors:
- designates one of the Executive Directors as Executive Chairman;
- designates one of the Executive Directors as CEO; and
- appoints a secretary of the Board (who need not necessarily be a Director) ("Secretary").

Furthermore, the Board of Directors — pursuant to the provisions of the AoA and the Board Rules — may designate one of the Directors or someone outside of the Board of Directors as a Chairman Emeritus, chosen from among individuals who have contributed to the Company's prestige and development notably and for a significant period.

In light of the above, the Board of Directors — on 24 April 2024, when the Cross-Border Conversion became effective — has appointed / re-confirmed:
- Mr. Matteo Tiraboschi as Executive Chairman (see bullet B. below);
- Mr. Daniele Schillaci as CEO;
- Ms. Manuela Soffientini as Lead Non-Executive Director (see bullet D. below);
- Mr. Alberto Bombassei as Chairman Emeritus (see bullet F. below).

The Board of Directors remains collectively responsible for decisions, even if they are prepared and/or taken by individual Directors. An individual Director may only exercise such powers as are explicitly attributed to and may never exercise powers beyond those exercisable by the Board of Directors as a whole. The division of tasks within the Board of Directors is determined (and amended, if necessary) by the Board of Directors, subject to the consent of most of the Non-Executive Directors.

The responsibilities of the Board of Directors are fully pointed out in the Board Rules.

A. Executive Directors

The Executive Directors are responsible for the day-to-day management of the Company, including: executing the decisions of the Board of Directors, informing the Board of Directors concerning the appointment of the members of the Company's C-Suite, managing the members of the Company's management team as they discharge their individual responsibilities, establishing the remuneration of the members of the Company's management team, discussing the draft audit plan with the external auditor before the presentation of the plan to the Audit, Risk and Sustainability Committee, etc.[8]

Based on the power recognized by the Board of Directors, the following are qualified as Executive Directors: Mr. Matteo Tiraboschi (Executive Chairman), Mr. Daniele Schillaci (CEO), Ms. Cristina Bombassei (Director in charge of the Internal Control and Risk Management System and Chief Legacy Officer and Mr. Roberto Vavassori (Chief Public Affairs & Institutional Relations Officer).

8 Please see para. 5.1 and Schedule 4 of the Board Rules

B. Executive Chairman

Following to the shareholders' meeting held on 27 July 2023, on 24 April 2024, the Cross-Border Conversion of the Company became effective, and the Board of Directors confirmed Mr. Matteo Tiraboschi as Executive Chairman of the Company. The Executive Chairman is, together with the CEO, responsible for the operational management of the Company. He also assists the Lead Non-Executive Director with running the meetings of the Board of Directors and ensures that the general meeting proceeds in an orderly and efficient manner and effective communication with shareholders is ensured.

In addition, the Executive Chairman guarantees that (i) the Directors follow the Brembo induction program, (ii) the Board of Directors performs activities in respect of the Brembo culture and (iii) the Directors receive all information necessary for the proper performance of their duties in a timely fashion.

C. Non-Executive Directors

The Non-Executive Directors shall prepare a profile of the size and composition of the Non-Executive Directors, taking account of the nature and the activities of the Company and its subsidiaries. This Board profile shall address:

- the desired expertise and background of the Non-Executive Directors;
- the desired diverse composition of the Non-Executive Directors as expressed in the Company's D&I Policy;
- the number of Non-Executive Directors; and
- the independence of the Non-Executive Directors.

The current Board profile is ready for consultation at Schedule 3 of the Board Rules, which provides guiding principles for the appointment of Non-Executive Directors, sets out the scope and composition of the Non-Executive Directors and considers the nature of the Company's business and its activities in general.

Regarding the role of the Non-Executive Directors, they are charged with the supervision of the Executive Directors, the general course of affairs of the Company and its subsidiaries. The Executive Directors shall timely provide the Non-Executive Directors with all the information necessary for the proper performance of their duties. Moreover, Non-Executive Directors have the duties assigned to them by the Board of Directors or pursuant to the AoA.[9]

The following members of the Board of Directors are qualified as Non-Executive Directors: Ms. Manuela Soffientini, Ms. Elisabetta Magistretti, Ms. Elizebeth Marie Robinson, Ms. Michela Schizzi, Mr. Giancarlo Dallera, Mr. Umberto Nicodano and Mr. Gianfelice Rocca. The Non-Executive Directors met, in the absence of the Executive Directors, on 16 October 2024, on 30 January 2025 and on 18 March 2025 and, *inter alia*, carried out the evaluations referred to in best practice provisions 2.2.6 and 2.2.7 of the DCGC[10] and prepared their Report of the Non-Executive Directors pursuant to best practice provision 5.1.5. of the DCGC (see paragraph 3.11).

D. Lead Non-Executive Director

Following the appointment of the Board of Directors upon the shareholders' meeting of 20 April 2023, the independent Non-Executive Director Ms. Manuela Soffientini was appointed Lead Non-Executive Director, and she continued to serve as such following the Cross-Border Conversion.

In the role of Lead Non-Executive Director, Ms. Manuela Soffientini chairs the meetings of the Board of Directors. In addition, the Lead Non-Executive Director, together with the Executive Chairman, ensures that the Board as a whole and its committees have a balanced composition and functions properly. For further information on the role and tasks of the Lead Non-Executive Director, please refer to section 4.2 of the Board Rules.

E. Independence

Each Non-Executive Director owes a duty to the Company to properly discharge the duties assigned to each Director and to act in the best interests of the Company. Pursuant to Dutch law, the Company's corporate interest extends to the interests of all its stakeholders, including its shareholders, creditors, employees, etc.

Pursuant to best practice provisions 2.1.7 and 2.1.8 of the DCGC, at most one Non-Executive Director (or his/her Relative) does not have to meet the independence criteria as set out in the DCGC. In addition, for each shareholder, or group of affiliated shareholders, who directly or indirectly hold more than ten percent of the shares in the Company, there is at most one Non-Executive Director who may be affiliated with or representing such a shareholder. In total, most of the Non-Executive Directors should be independent.

For the results of the evaluation pursuant to DCGC, reference is made to the Report of the Non-Executive Directors (see paragraph 4.3.11).

F. Chairman Emeritus

Subject to the prior approval of the general meeting, the Board of Directors may appoint, from within or externally to the members of the Board of Directors, a Chairman Emeritus, chosen from among individuals who have contributed to the Company's prestige and development notably and for a significant period of time. Concurrently with the appointment of the Chairman Emeritus, the Board of Directors shall, also subject to the prior approval of the general meeting, set his or her term of office, which may also be indefinite.

In implementation of the corporate governance structure approved by the general shareholders' meeting of 17 December 2021, Mr. Alberto Bombassei, who had already served as Chairman and member of the Board of Directors of the Company, was appointed for an indefinite term Chairman Emeritus of the Company. This appointment continues to be valid also after the effectiveness of the Cross-Border Conversion. Pursuant to the AoA, the tasks and responsibilities of the Chairman Emeritus are established by the Board of Directors and duly described in the Board Rules.[11]

ALBERTO BOMBASSEI
Chairman Emeritus

Company founder and Chairman Emeritus of the Company, of which he was Chairman of the Board of Directors from 1993 to 2021. He is also founder and Chairman of the Kilometro Rosso Scientific and Technological Park. President of FROM - Bergamo Hospital Research Foundation. Since 2020 he has been a member of Confindustria Executive Board. He has been a member of the Board of Directors of ISPI — Institute

9 For the duties assigned to the Non-Executive Directors, please see the provisions contained in the Board Rules and in AoA.

10 2024 Board performance evaluation. Given Brembo's well-established practice and the more than positive feedback received in previous years, for the second year of office, the Non-Executive Directors confirmed that the task of coordinating this activity would be carried out by the Lead Non-Executive Director, supported by Brembo's GCF Legal and Corporate Affairs.

11 Please see Article 21 of the AoA and paragraph 4.4 of the Board Rules.

for International Political Studies since 2016. He has been a member of the Executive Board of Assonime, an association of Italian joint-stock companies, since 2017. Vice-President of Aspen Institute Italy since 2018. Member of the Leonardo Committee's Executive Board since 2018. Member of the Board of Directors of MADE - Competence Center Industry 4.0 since 2019. President of the Italy-China Foundation (2018-2020). Member of the Chamber of Deputies and the X Production Activities Committee (2013-2018). Vice President of Confindustria in charge of Industrial Relations (2004-2012). President of Federmeccanica (2001-2004). Over the years he received several awards and honours, including: "Parete" Award (2021); "Barsanti and Matteucci Award" (2021); "Gianni Mazzocchi Award" (2021); "Casco d'oro" (2019); "Capo d'Orlando" Award for section "Science and Industry" (2019); "Leonardo" Award (2017) bestowed on him by Italian President Mattarella; "Automotive Hall of Fame" Award (2017); title of Commander of the Order of Isabel the Catholic (2014) bestowed on him by Spain's Ambassador to Italy; the Ernst & Young Prize as "Entrepreneur of the Year" (2012); "Tiepolo 2012" Award; title of "Cavaliere del Lavoro" (2004) bestowed on him by Italian President Ciampi; Leonardo "Qualità Italia" Award (2003).

4.3.1.5 BOARD RULES

Pursuant to the AoA and based on the provisions of the DCGC, the Board shall draw up regulations governing its decision-making procedures. These Board Rules were approved by the Board of Directors on April 24, 2024[12]. It also governs, among others, rules for periodic assessment of the Board's composition and functioning, the duties and responsibilities of Executive and Non-Executive Directors, the Board meetings and conflicts of interest of Directors, etc. These regulations are in addition to provisions concerning the Board and each Director contained in applicable laws and regulations, as well as in the AoA.

Board of Directors' meetings

The Board of Directors shall meet as often as deemed necessary for the proper functioning of the Board of Directors. Meetings shall be scheduled annually as much as possible in advance through the calendar of corporate events. Each year an average of five to seven Board of Directors meetings, including one Board of Directors meeting devoted to the business plan of the Group and its related risks, are to be held, which are attended by senior management of the Group so that they can present the plans of their respective businesses. The agenda of each meeting is signed by the Executive Chairman and sent by the Secretary to all the Directors. The agenda is previously shared by the Secretary on behalf of the Executive Chairman with the Lead Non-Executive Director prior to convening the meeting.

Board of Directors meetings shall generally be held at the office of the Company in Italy but may also take place elsewhere or by means of a conference call, videoconference, or other electronic means, subject to the requirements as set out in article 26.10 of the AoA.

The Board of Directors may require that certain officers and external advisers attend its meetings.

No Director will participate in a meeting of the Board of Directors (including a meeting by conference call, video conference or by any other means of communication) whilst being in the Netherlands.

The minutes of meetings of the Board of Directors shall be kept by the Secretary. After the meeting, the Secretary sends the draft minutes of the meeting to all attendees for comments and observations, which will be collected by the Secretary. The final text of the minutes shall be adopted by the Board of Directors at a subsequent meeting and as evidence thereof signed by the Executive Chairman. If the Board of Directors has adopted resolutions without holding a meeting, the Secretary shall keep a record of each resolution adopted without holding a meeting (i.e. written resolutions).

4.3.1.6 DIVERSITY CRITERIA AND POLICIES IN THE COMPOSITION OF THE BOARD: DIVERSITY TARGETS

The Company believes that diversity in the composition of the Board of Directors is an important means of promoting debate, balanced decision-making and independent board actions. Among others, factors such as demographics and physical and mental differences can play an important role. The presence of people with different backgrounds and experiences can create valuable insights and improve the way of working. The Company recognizes the benefits of having a diverse Board of Directors and sees diversity at Board of Directors' level as an important element in maintaining a competitive advantage.

According to the Dutch provisions[13] the Company has to set appropriate and ambitious gender[14] diversity target figures for the Executive Directors, the Non-Executive Directors and management and draw up a plan to achieve these targets.[15] In this regard – following the considerations made by the Remuneration and Appointment Committee and the Audit, Risk and Sustainability Committee — the Board of Directors has adopted on 30 July 2024 — in compliance with DCGC best practices — a new edition of the Policy on Non-Discrimination and Diversity, in which it has described — among other things — the Brembo's diversity board targets for a) the Executive Directors, b) the Non-Executive Directors and c) Management, and the plan to achieve these targets. Taking into consideration that the current term of office — also following the Cross-Border Conversion — will expire at the end of the annual general meeting to be held in 2026, the targets described below will be applicable starting from 2026.

The targets approved by the Board of Directors on 30 July 2024 are the following:

- the representation of each gender in the cluster of Executive Directors: at least 25% upon renewal of the Board of Directors in 2026;
- the representation of each gender[16] in the cluster of Non-Executive Directors: at least 40% upon the renewal

12 The Regulations of the Board of Directors are available on the Company's website (**Brembo Board Rules**).

13 Dutch Act on gender diversity (*Wet inzake evenwichtige man-vrouwverhouding in de top van het bedrijfsleven*) entered into force on 1 January 2022.
14 The Dutch rules refer to women and men.
15 In this context, "appropriate" means that the targets depend on the number of executive directors and non-executive directors within the Board of Directors and management, and on the existing ratio between men and women. The targets for the Board of Directors can differ from the targets for management. In this context "ambitious" means that the targets should aim to make the male-female ratio more balanced than the existing composition.

of the Board of Directors in 2026;[16]
- the representation of each gender[16] in the cluster Management: more than 20% by the end of 2028.[17]

The DEI Board targets refer only to the gender, however, the Board Rules describe the Board profile in terms of the desired composition of the Board. In this way, directors should be appointed taking into account the DEI targets and the specific figures provided in the Board Rules (i.e. expertise, experience, competencies, other personal qualities, gender, age, nationality, cultural background, etc.).

The composition as of 31 December 2024 25% woman and 75% men for the Executive Directors, 57% women and 43% men for the Non-Executive Directors and 17.8% women and 82.2% men for Management.

To guarantee the right application of the provisions contained in the Policy on Non-Discrimination and Diversity, the Board of Directors, on 30 July 2024 resolved to:
- appoint a Diversity & Inclusion Manager, who works in coordination with the different functions, units and regions according to their respective responsibilities; and
- establish a DEI committee (a body chaired by the Chief People & Organization Officer that meets at least semi-annually) in which the plans and performances around DEI are discussed, and results presented and discussed by the Board committees within the scope of their duties and then presented, discussed and approved by the Board of Directors.[18]

The Board of Directors will report annually, in the corporate governance statement of the annual report, on the process used in relation to appointments to the Board of Directors, if any appointment has been made.

"In addition, starting from 2024, Brembo carries out the following activities in pursuit of its DEI targets:
i) Implementing projects and initiatives that foster diversity and inclusion on gender, generation, and cultural background for the Group and/or local communities.
ii) Provides training courses and events that reduce unconscious bias, challenge stereotypes and create an inclusive organizational environment.

As this is the first year of implementation of the new Policy on Non-Discrimination and Diversity according to the Dutch rules, the DEI Committee is monitoring the progress of the KPIs and related initiatives so as to implement additional ones.

The Board of Directors, with the support of the Remuneration and Appointment Committee, considers all diversity elements, including the gender balance, as is considered best practice under the DCGC and the Dutch Civil Code, when identifying candidates for nomination as members of the Board of Directors.

Brembo has received the Certification for Gender Equality based on the Italian reference practice UNI/PdR 125:2022. Issued by DNV, a leading body in the certification of accredited management systems, the certification bears witness to our company's constant commitment to promoting Diversity, Equity and Inclusion (DEI) within the workplace. This is an important result, which however does not represent only a goal but a stage within a path, aimed at systematising the numerous DEI initiatives, continuing to promote activities that value diversity and inclusion, and growing our people's awareness of these issues.

4.3.1.7 BOARD EVALUATION

For the results of the evaluation pursuant to DCGC, reference is made to the Report of the Non-Executive Directors (see paragraph 3.11).

4.3.1.8 BOARD INDUCTION

In accordance with best practice provision 2.4.5 of the DCGC, also taking into account the results of the annual assessment provided for by best practice provision 2.2.8 of the DCGC, Brembo ensures that it carries out continuous training activities, structured in several sessions and dedicated to Directors, in particular the newly appointed ones, aimed at providing an adequate understanding of the Company and the business industry in which the Group operates, its products, company dynamics and their evolution, including with a view to sustainable success, as well as its organizational structure, the principles of proper risk management, applicable laws and regulations and major trends that may have an impact on the current performance and the Group's short- medium- and long-term growth strategy.

Continuous training programs and personalized follow-ups are offered based on the interests or responsibilities that individual Directors may assume within Board committees or to focus on the specific issues driving the need for in-depth analysis expressed at meetings of the Non-Executive Directors and in the findings of the Board performance evaluation. Among these initiatives, worthy of note is the Board of Directors' meeting for the examination of the business plan and the related risks, which is convened on an annual basis.

The basic induction program, dedicated to the new Non-Executive Directors, covers, in any event, general financial, social and legal affairs, financial and sustainability reporting by the Company, any specific aspects that are unique to the Company and its business activities, the Company culture and the responsibilities of a Non-Executive Director. Periodically visits to production sites are also organized.

16 For the renewal of the Board of Directors scheduled for 2026, the current Board of Directors has established having an appropriate gender diversity target based on an 11-member Board of Directors with at least five members of the less represented gender, including at least one Executive Director and at least three Non-Executive Directors.
17 Such targets will be considered in the context of renewals of the Board of Directors and in the hiring/HR resources management process.
18 For any other information regarding the Policy on Non-Discrimination and Diversity please see the following link: Policy on Non-Discrimination and Diversity

The 2024 induction program focused mainly on the following topics:

Induction Session	Recipients	Date	Activities Description
Remuneration and Appointment Committee	Members of the Remuneration and Appointment Committee.	February 2024 July 2024 December 2024	• Gender representation and pay gap analysis • Gender equality certification • Policy on Non-Discrimination and Diversity under Dutch law • LTIP Benchmark Analysis
Audit, Risk and Sustainability Committee	Members of the Audit, Risk and Sustainability Committee and Supervisory Committee	January 2024 May 2024 July 2024 October 2024 December 2024	• Cybersecurity risks and plan of control • Health and safety profiles in relation to site activities, maintenance and high-risk work • Diversity, equity and inclusion journey • Sustainability projects in the supply chain • Non-financial reporting under Dutch law
Induction for Directors	Non-Executive Directors	February 2024	• Main aspects of the DCGC • Liability of Non-Executive Directors under Dutch law • General meetings according to Dutch law
Induction for the Board of Directors (follow-ups during Board meetings)	Executive and Non-Executive Directors	March 2024 May 2024 June 2024 July 2024 November 2024	• Automotive market performance and outlook • Gender equality certification • Policy on Non-Discrimination and Diversity under Dutch law • New Code of Ethics • Update on new crimes introduced in Legislative Decree No. 231/2001 and adoption of new governance system following cross-border conversion

4.3.1.9 INDEMNIFICATION

Under Dutch law, indemnification provisions may be included in the company's AoA. Under the AoA, to the extent permissible by the rules and regulations applicable to the Company, the Company is required to reimburse current and former directors for (i) the reasonable costs of conducting a defence against claims for damages or of conducting defence in other legal proceedings, (ii) any damages payable by them and (iii) the reasonable costs of appearing in other legal proceedings in which they are involved as current or former directors, except proceedings primarily aimed at pursuing a claim on their own behalf, based on acts or failures to act in the exercise of their duties or any other duties currently or previously performed by them at the Company's request, if and only if and to the extent the relevant costs and damages are not reimbursed on account of said other duties. There shall, however, be no entitlement to reimbursement and any person concerned will have to repay the reimbursed amount if and to the extent that: (i) a Dutch court, or in the case of arbitration, an arbitrator, has established in a final and conclusive decision that the act or failure to act of the person concerned may be characterized as willful (*opzettelijk*), intentionally reckless (*bewust roekeloos*) or seriously culpable (*ernstig verwijtbaar*) conduct, unless Dutch law provides otherwise or this would, in view of the circumstances of the case, be unacceptable according to standards of reasonableness and fairness (*redelijkheid en billijkheid*); (ii) the costs or damages directly relate to or arise from legal proceedings between a current or former director and the Company or its Group; or (iii) the costs or financial loss of the person concerned are covered by insurance and the insurer has paid out the costs or financial loss.

The Company has in place adequate insurance covering the above claims against Directors currently in charge and former Directors (D&O insurance).

4.3.1.10 CONFLICT OF INTERESTS AND RELATED PARTY TRANSACTIONS PROCEDURE

Any conflict of interest between the Company and Directors must be prevented. Where conflict of interests matters occurred, the Board of Directors has resolved such matters in compliance with the provisions of the AoA.

A Director shall without delay report any potential conflict of interest (or an interest which may have the appearance of such a conflict of interest) in a transaction and declaring the nature and extent of that interest to the other Directors. The Director may not participate in deliberating or decision-making within the Board of Directors, if with respect to the matter concerned, he or she has a direct or indirect personal interest that conflicts with the interests of the Company and the business connected with it. The Board of Directors shall decide, without the Director concerned being present, whether there is a conflict of interest.

During 2024, no transactions in conflict with Directors were reported.

Moreover, the Company has adopted a Related Party Transaction Procedure ("RTP Procedure" - Related Parties Procedure) that is complementary to the conflict of interest provisions under Dutch law, the Dutch Civil Code, the DCGC, the AoA and the Board Rules. The purpose of this procedure, as specified, *inter alia*, in the Code of Ethics, is to ensure transparency and the substantive and procedural handling of related party transactions safeguarding the Company's higher interests and to provide adequate protection for the interests of the Company and its stakeholders.

As a rule, related party transactions may only be concluded when strictly necessary in the Company's interest. More specifically, the procedure:
a) lays down the procedural rules governing its adoption and any further amendments and/or revisions;
b) categorizes related party transactions and defines 'Transactions of Greater Importance', 'Transactions of Lesser Importance' and 'Transactions of Small Amount', establishing distinct criteria to consider the counterparty's nature;
c) provides for exemptions from the applicable procedural rules;
d) lays down the procedural rules to be followed in examining and approving Transactions of Greater Importance and Transactions of Lesser Importance that are not exempted from the RPT Procedure (including those concluded between subsidiaries);
e) establishes the procedural rules and deadlines for providing information on related party transactions to the Audit, Risk and Sustainability Committee, which forwards binding and non-binding opinions

on the related party transactions, as well as to other departments within the Group; and

f) establishes the procedural rules and deadlines according to which the Audit, Risk and Sustainability Committee:
   - receives information on the application of exemptions as mentioned in point c) above, at least regarding Transactions of Greater Importance; and
   - assesses the correct application of conditions for exemptions of Ordinary Transactions and Transactions of Greater Importance conducted under market or standard equivalent terms.

Board of Directors' remuneration

Information on the remuneration of Directors and members of Board committees is provided in a specific report on remuneration, contained in this annual report, at paragraph 4.5.

Succession plan

On 17 December 2021, in line with the plan defined as of June 2011, following the resignation of Alberto Bombassei from the role of Chairman and member of the Board of Directors, the Board of Directors of Brembo S.p.A. approved the current organizational structure of the Brembo Group, which provides for Matteo Tiraboschi to serve as Executive Chairman and Daniele Schillaci as Chief Executive Officer.

Pursuant to best practice provision 2.2.4 of the DCGC, it should also be noted, with regard to succession matters, that — for each top management position — Brembo drew up a periodical and structured process, as summarized in specific documents approved by top managers, to identify both short- and medium-term successors, so as to be able to manage unforeseeable cases of replacement of executives in as prompt and orderly manner as possible, and ensure management stability.

On 14 November 2022, the Chief People & Organization Officer submitted the updated version of the Talent Management & Succession – Succession Planning annual system to the Remuneration and Appointment Committee.

4.3.2 BOARD COMMITTEES

Brembo has established two committees within its Board of Directors: (i) an Audit, Risk and Sustainability Committee, which operates as an audit committee pursuant to Dutch law and the DCGC, and (ii) a Remuneration and Appointment Committee, combining the remuneration and selection and appointment committee within the meaning of the DCGC, for the reasons specified in paragraph 3.8 of this governance report ('Compliance with the Dutch corporate governance code').

The composition, duties and functioning of the committees are defined in rules implementing the recommendations of the DCGC. Said rules have been approved by the Board of Directors on 24 April 2024, and they are available on the Company's website.

Without prejudice to the collegiate responsibility of the Board of Directors, the duty of the committees is to prepare the decision-making of the Board of Directors. Each committee must inform the Board of Directors in a clear and timely way of the manner in which it has used attributed authority and of any major development in the area of its responsibilities. All Non-Executive Directors have unrestricted access to all committee meetings and records.

The Board of Directors receive, within the terms specified in the rules of each committee, reports from each committee of its deliberations and findings.

Number of Committee meetings and attendance rate of Directors

Committees	No. of meetings 2024	Attendance rate 2024	Non-Executive Directors	Activities carried out in 2024
Remuneration and Appointment Committee	3	100%	100%	See paragraph 3.10
Audit, Risk and Sustainability Committee (which also acts as the Related Party Transactions Committee)	10	100%	100%	See paragraph 3.10

For the results of the evaluation pursuant to DCGC, reference is made to the Report of the Non-Executive Directors (see paragraph 3.11).

4.3.2.1 REMUNERATION AND APPOINTMENT COMMITTEE

The Remuneration and Appointment Committee, appointed on April 20, 2023, by the Board of Directors will remain in office until the end of the annual general meeting to be held in 2026. It is made up of three members:

Members	Office held	Position within the Remuneration and Appointment Committee	Attendance rate at 2024 meetings (3 meetings)
Giancarlo Dallera	Non-Executive Director	Chairman	100%
Manuela Soffientini	Non-Executive Director	Member	100%
Elizabeth Marie Robinson	Non-Executive Director	Member	100%

The professional profile of the members of the Remuneration and Appointment Committee meets the experience requirements imposed by DCGC, ensuring an efficient performance of the committee's duties. All the members of the Remuneration and Appointment Committee are independent pursuant to best practice provision 2.1.8 of the DCGC.

According to its rules the Remuneration and Appointment Committee prepares the Non-Executive Directors' decision making on:

- the selection and appointment of Directors;
- the periodic assessment of the size and composition of the Board of Directors and the functioning of individual Directors;
- the succession of Directors, taking into account the Policy on Non-Discrimination and Diversity;
- the periodic review of the Policy on Non-Discrimination and Diversity, including its effectiveness;
- the determination of remuneration of the Executive Directors and Non-Executive Directors within the limits of the remuneration policy of Brembo Group;
- the remuneration report.

In performing its functions, the Committee has access to the Company information and functions necessary from time to time to discharge its duties, and it may also avail itself of expert advisors within the limits of the budget approved by the Board of Directors.

The meetings of the Remuneration and Appointment Committee:

- may also be attended by people, other than committee members, who have been specifically invited and are part of the Company's management and/or management structures, in relation to specific needs or items on the agenda; they include, in general, the Chief People & Organization Officer and the Secretary, as well as the Chief Legal & Corporate Affairs Officer;
- may be attended by representatives of consulting firms specialising in the abovementioned areas;
- are not attended by Executive Directors.

The Remuneration and Appointment Committee shall prepare a report of its deliberations and findings for the Non-Executive Directors that comments on how the duties of the Remuneration and Appointment Committee were carried out in the financial year according to paragraph 4.2 of the Remuneration and Appointment Committee Rules.

Further details of the 2024 activities of the Remuneration and Nomination Committee are included in the Report of the Non-Executive Directors (see paragraph 4.3.11).

4.3.2.2 AUDIT, RISK AND SUSTAINABILITY COMMITTEE (ALSO ACTING AS RELATED PARTY TRANSACTIONS COMMITTEE)

The Audit, Risk and Sustainability Committee, which also acts as the Related Party Transactions Committee, was appointed by the Board of Directors on 20 April 2023, and will remain in office until the end of the annual general meeting to be held in 2026. It is made up of three (3) members:

Members	Office held	Position within the Audit, Risk and Sustainability Committee	Attendance rate at 2024 meetings (10 meetings)
Elisabetta Magistretti	Non-Executive Director	Chairwoman	100%
Manuela Soffientini	Non-Executive Director	Member	100%
Michela Schizzi	Non-Executive Director	Member	100%

The professional profile of the members of the Audit, Risk and Sustainability Committee meets the experience requirements imposed by the DCGC, ensuring an efficient performance of the Committee's duties. All members of the Audit, Risk and Sustainability Committee are independent pursuant to best practice provision 2.1.8 of the DCGC.

The duties and functioning of the Audit, Risk and Sustainability Committee are defined in its Rules and available on Brembo's website. The Audit, Risk and Sustainability Committee reviews the Company's financial reporting process, the systems of internal control and risk management, the external audit process, sustainability issues related to the Company's activities and the interactions with its stakeholders, and the Company's process for monitoring compliance with laws and regulations and its code of ethics, as well as such other matters, which may be specifically attributed to the Audit, Risk and Sustainability Committee by the Board of Directors from time to time.

The Audit, Risk and Sustainability Committee prepares the Non-Executive Directors' decision-making on the supervision of the integrity and quality of the Company's financial and sustainability reporting and the effectiveness of the Company's internal risk management and control systems. It focuses among other things on:

a) the supervision of the Board of Directors about:
   i) the relations with, and compliance with, recommendations and follow-up of comments by the Internal Audit function, the external auditor and any other external party involved in auditing the sustainability reporting;
   ii) the funding of the Company;
   iii) the Company's tax policy; and
   iv) the application of information and communication technology by the Company, including risk relating to cybersecurity;
b) supporting the Board of Directors in its assessments and decisions relating to:
   i) the sustainability issues related to the Company's activities and to the interactions with its stakeholders;
   ii) the approval of the annual accounts and semi-annual accounts, taking into account the Dutch Decree on Non-Financial Information (*Besluit bekendmaking niet-financiële informatie*) and its

effects on the Company;
iii) the preparation and implementation of the requirements, including the right information and reporting systems, under the implementation into Dutch law of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive); and
iv) the legal developments on relevant sustainability legislation and its possible impact on and measures required for the Company;

c) examining and evaluating (i) the Group's sustainability policies and procedures ensuring these are aimed at sustainable medium and long-term value creation for its shareholders and its stakeholders and (ii) sustainability targets, goals and consequent processes together with the sustainability reporting by the Group;
d) monitoring international initiatives in the field of sustainability and the applicability thereof on the Group, in order to safeguard the international sustainability reputation of the Group;
e) informing the Board of Directors of the outcome of the statutory audit, including an explanation of the manner in which the statutory audit has contributed to the integrity of the financial reporting and the role of the Audit, Risk and Sustainability Committee in that process;
f) monitoring the financial reporting process and making proposals to ensure the integrity of the process;
g) monitoring the effectiveness of the internal management system, the internal audit system and the risk management system in relation to the financial reporting of the Company;
h) monitoring the statutory audit of the annual accounts, in particular the process of such audit, taking into account the review of the Dutch Authority for the Financial Markets in accordance with article 26, paragraph 6 of Regulation (EU) No 537/2014;
i) reviewing and monitoring the independence of the external auditor, as referred to in article 1 paragraph 1 (f) of the Supervision audit firms Act (*Wet toezicht accountantsorganisaties*), or the audit firm as referred to in article 1 paragraph 1 (a) and (c) of the Supervision audit firms Act (*Wet toezicht accountantsorganisaties*), and in particular the provision of other services to the Company; and
j) determining the procedure for the selection of the external auditor and the nomination of the performed statutory audits pursuant to article 16 of Regulation (EU) No. 537/2014.

The Audit, Risk and Sustainability Committee shall report to the Board of Directors on its deliberations and findings at least every six months. This report must, at least, include the information provided by paragraph 4.2 of the Audit, Risk and Sustainability Committee Rules.

Further details of the 2024 activities of the Audit, Risk and Sustainability Committee are included in the Report of the Non-Executive Directors (see paragraph 3.11).

Related Party Transactions Committee

Being composed only of independent Non-Executive Directors, based on the Company's Related Party Transactions Procedure approved by the Board of Directors on 24 April 2024, the Audit, Risk and Sustainability Committee shall also perform the role of the Related Party Transactions Committee as defined in such a procedure.

According to the Related Party Transactions Procedure, the main tasks of the Committee are the following:

- the Related Parties Transactions Committee periodically evaluates the Related Party Transactions Procedure and submits its proposals to amend the policy to the Board of Directors;
- to the extent that a transaction qualifies as a 'Related Party Transaction of Greater Importance' that was not concluded in the ordinary course of the Company's business or on normal market terms, but is not considered an (allegedly) 'Excluded Transaction', the Related Party Transactions Committee shall provide the Board of Directors with a non-binding opinion, before such transaction is concluded.

Each quarter, the Chief Administration & Finance Officer informs the Audit, Risk and Sustainability Committee on certain related party transactions excluded from application of the procedure to allow the Committee to perform the appropriate verifications. The Committee promptly reports to the Board of Directors on the activities carried out.

In 2024, no transactions were reported under which a member of the Board had a conflict of interest that was of material significance. No related party transactions of greater importance were carried out during 2024. Moreover, no transactions were conducted with major shareholders during 2024. All the other related party ordinary transactions were carried out in the course of Brembo's regular operating activities and concluded at market or standard equivalent terms: i) that are analogous to those generally applied to unrelated parties for transactions of a similar nature, value and risk profile ; ii) based on public/regulated rates or at fixed prices; or iii) equivalent to those charged to persons with which the Company is obligated by law to contract at a certain price.

4.3.3 INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Main aspects of the Internal Control and Risk Management System	Yes/No
Existence of a document containing guidelines for the Internal Control and Risk Management System	Yes
Existence of an Internal Control over Financial Reporting	Yes
Existence of an Internal Control over Non-Financial Reporting	In progress
Presence of an Executive Director charged with overseeing the Internal Control and Risk Management System	Yes
Presence of a committee responsible for supervising risks, including sustainability risks	Yes
Presence of organizational structures responsible for risk management (Risk Management Committees – Chief Sustainability & Risk Officer)	Yes
Existence of an Audit function tasked by the Board of Directors with systematically assessing the efficiency and efficacy of the Internal Control and Risk Management System	Yes
Preparation of specific compliance programs (Code of Ethics, Model According to Italian Legislative Decree no. 231, Antibribery Code of Conduct, Policy of Non-Discrimination and Diversity, Code of Basic Working Conditions, Antitrust Code of Conduct, Privacy Policy, Modern Slavery Act, Tax Control Framework)	Yes

The Company has defined Brembo's Internal Control and Risk Management System consistent and compliant with the provisions of DCGC and, more generally, with the best national and international practices.

This system represents the set of organizational structures, rules and procedures that allows the main business risks within the Group, of any kind, including risks relating to medium and long-term sustainability, to be identified, measured, managed and monitored, while helping the Company be run in a manner that is sound, correct and consistent with the objectives defined by the Board of Directors, and favouring the adoption of informed decisions consistent with the risk profile, as well as dissemination of a proper understanding of risks, lawfulness and corporate values, which are reflected in the Code of Ethics. It is an integral part of the Group's operations and culture and supports the efficiency and effectiveness of business processes, the reliability of financial and sustainability information and compliance with laws and regulations.

The Board of Directors, with the support of the Audit, Risk and Sustainability Committee, is tasked with defining the general guidelines of the Internal Control and Risk Management System, so that the main risks pertaining to the Company and its subsidiaries are properly identified, as well as adequately measured, managed and monitored. It shall also set criteria to ensure that such risks are compatible with sound and proper management of the Company. The Board of Directors is aware that the control processes cannot provide absolute assurances that the company objectives will be achieved, and the intrinsic risks of business are prevented, in a period characterized by strong volatility, uncertainty within the macro-economic context and growing geopolitical risks. However, it believes that the Internal Control and Risk Management System may reduce and mitigate the likelihood and impact of risk events associated with wrong decisions, human error, fraud, violations of laws, regulations and company procedures, as well as unexpected events such as, for instance, the conflict in Ukraine and previously the global pandemic.

The Board of Directors has already identified the key roles and responsibilities in the Internal Control and Risk Management System, through the approval of various company documents to which reference is made (Guidelines for the Brembo Internal Control and Risk Management System and the Policies for the implementation of the Internal Control and Risk Management System in accordance with international best practices and the standards of reference such as ISO31000 and the CoSO Framework.

The organizational chart here below shows the roles within the Internal Control and Risk Management System defined in the documents mentioned above. In particular, the following are worth mentioning:

Institutional Steering Bodies Governance	**Board of Directors**		
	Executive Chairman	**Chief Executive Officer**	**Director in charge of ICRMS**
II Level Operational Bodies Risk & Control Drivers	Specific subjects or areas that on the basis of their organizational role: • oversee the process of detecting, appraising, managing and controlling risks related to company operations, ensuring their coherence with company objectives and addressing segregation criteria that allow for efficient monitoring; • ensure compliance with specific regulations and oversee the risk of non-compliance with regulations; • steer, coordinate and control the I level bodies in relation to the application of the directives given to them.		
	Sustainability & Risk GCF Chief Sustainability & Risk Officer	Legal and Corporate Affairs GCF • Chief Legal and Corporate Affairs Officer • Corporate, Compliance & Regulatory Senior Manager	GDPR Privacy Supervisory Board Data Protection Officer
	Administration and Finance GCF • Chief A&F Officer • Financial Compliance Manager • VP Tax	Investor Relations GCF • Chief Investor Relations Officer • Investor Relations Senior Manager	Financial Control GCF • Chief Financial Control Officer • VP Financial Control • Financial Control Senior Manager • Financial Controller
	Transformation GCF • Chief Transformation Officer • VP Global Information Security & Infrastructure • ICT Risk Management & Compliance Coordinator	People & Organization GCF • Chief People & Organization Officer • VP Talent & Organization Development	Quality GCF • Chief Quality Officer • System & Process Quality Senior Manager • Product Regulations and Warranty Manager
	Industrial Operations GCF • Chief Industrial Operations Officer • VP Environment & Energy • VP Health & Safety • VP Production System	Purchasing GCF • Chief Purchasing Officer • Purchasing Process & Systems Manager	R&D GCF • Chief R&D Officer • System & Safety Engineering Manager • IPR Senior Manager
I Level Operational Bodies Risk & Control Owners	Specific subjects or areas that define risks and manage them through the line controls, contained in the operational processes		
	Managers of specific areas or subjects		
	Employers	Data Protection Contacts	231 Team / Others
	Process Owner	Information Owner	Company meetings
	Management		**Employees**

III Level Internal Audit GCF
Chief Internal Audit Officer

Institutional Supervisory Bodies

Independent Auditors

Audit, Risk and Sustainability Committee

Supervisory Committee

Monitoring the adequacy and effective operation of the Internal Control and Risk Management System, as well as any revision thereof, is an essential part of the system's structure. The Internal Control and Risk Management System is therefore subject to regular examination and controls, taking account of developments in the Company's operations and reference context, as well as national and international best practices. Based on the roles and responsibilities already defined, various control bodies can be identified with responsibility for performing checks and expressing opinions on the Internal Control and Risk Management System.

The Internal Audit function, through periodical assessments in all legal entities, identifies critical risks that may affect the attainment of business objectives and may jeopardize value creation. The results of the periodical assessments are evaluated by the Audit, Risk and Sustainability Committee.

The overall and final assessment remains with the Board of Directors, which regularly expresses an opinion based on the reports produced by the Chief Internal Audit Officer, the Chief Sustainability & Risk Officer, the Audit, Risk and Sustainability Committee and the Supervisory Committee, not only to verify that the system exists and is being implemented within the Group, but also to carry out a regular detailed examination of its fitness and effective and concrete functioning.

Appropriateness of the Internal Control and Risk Management System for 2024
The Board of Directors examined the periodic reports of the Chairwoman of the Audit, Risk and Sustainability Committee (dated 30 July 2024 and 18 March 2025) and of the Executive Director in charge of the Internal Control and Risk Management System, as well as those concerning the activities undertaken and planned by the Company's Internal Audit function and the meetings conducted by the Chief Internal Audit Officer and the Chief Sustainability & Risk Officer, with the Executive Chairman and the CEO. Based on the foregoing, the Board of Directors shared the opinion expressed by the Chairwoman of the Audit, Risk and Sustainability Committee and acknowledged that the Internal Control and Risk Management System for the 2024 is appropriate to the Group's structure and type of business, suited to prevent the risks identified and able to ensure sustainable success. Furthermore, the accounting standards and procedures were properly applied for the purpose of preparing the periodic financial reports.

The main risks for Brembo are described in the 2024 annual report, in section at paragraph 4.4.

The Internal Control and Risk Management System as it relates to the financial reporting process
In accordance to the principles outlined by the CoSO Report, the Chief Administration and Finance Officer ("CAO") — in collaboration to the Financial Compliance Manager and supported by the Internal Audit function and, where applicable, by the evaluations provided by the Audit, Risk and Sustainability Committee — has defined the process to identify and assess the risks that might prevent the Company from achieving its objectives regarding the reliability of financial reporting.

The process for identifying and assessing such risks is performed on a yearly basis. The CAO, in collaboration to the Financial Compliance Manager, is responsible to identify and take in consideration any significant change that during the year could affect the risk assessment (i.e., significant organizational changes, process or business changes, amendments or updates of accounting principles, etc.). The significant controls mapped in each process to mitigate the financial reporting risks identified during the risk assessment phase are formalized in specific documents (risk control matrices and flow charts).

To assure the existence and the correct execution of the administrative and accounting procedures the CAO relies on the support of the Financial Compliance Manager (review and validation of the tests carried out by the process owners for the processes of their responsibility) and of the Internal Audit function (test on controls mapped by companies in light perimeter). The CAO, supported by the Financial Compliance Manager, defines a three-year audit plan that is carried out through scheduled annual test activities and includes all Group companies within the scope of financial compliance.

In case, during the testing activities, one or more controls results as not adequate or partially adequate, the process owner is required to formalize a specific action plan in order to cover the weakness resulted by the testing activity; the Financial Compliance Manager and Internal Audit (in this latter case through a specific follow-up on site) have the responsibility to monitor the proper implementation of the remediation plans within the defined due date.

The Process Owner has the responsibility to identify all those events within his/her own process that could potentially affect the process itself and the reliability of the designed significant controls and promptly report them to the Financial Compliance Manager and the CAO. Twice per year, even if no specific events have occurred, the process owners must provide a formal notice attesting that the mapped controls correspond to the practice adopted.

The Financial Compliance Manager and the Internal Audit periodically report to the CAO the activities performed and the test results.

Twice per year (in correspondence to the half-year and the year-end closing periods) the CAO, supported by the Financial Compliance Manager, requests to each Group company included in the financial compliance perimeter to submit an internal attestation letter in order to certify the accuracy and completeness of the financial reporting data communicated and to confirm the existence and proper functioning of the administrative and accounting procedures and related controls.

For each Group company the attestation letter must be double signed by the local CFO and the Country General Manager, while the Company is required to collect one specific attestation for each global business unit and one for People & Organization and one for Transformation global central functions.

Executive Director in charge of the Internal Control and Risk Management System
On 20 April 2023, the Board of Directors confirmed Cristina Bombassei in her role as Executive Director in charge of the Internal Control and Risk Management System.

The Director in charge of the Internal Control and Risk Management System is tasked with:
- identifying the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submitting them periodically for review to the Board of Directors;
- implementing the guidelines established by the Board

of Directors, supervising the planning, implementation and management of the Internal Control and Risk Management System, as well as constantly verifying its adequacy and efficacy;
- bringing the Internal Control and Risk Management System into line with the current operating conditions, and legislative and regulatory scenario;
- requesting the Internal Audit function to carry out audits of specific operating areas, as well as audits on compliance with internal rules and procedures in the performance of company transactions, in addition to informing the Executive Chairman of the Board of Directors and the chairwoman of the Audit, Risk and Sustainability Committee thereof concurrently;
- timely reporting to the Audit, Risk and Sustainability Committee (or to the Board of Directors) regarding problems and critical issues brought to light in performing her activities or of which she has otherwise become aware, so that the Audit, Risk and Sustainability Committee (or the Board of Directors) may take the appropriate initiatives.

The Executive Director also maintains active communication channels, coordinating with the Chief Internal Audit Officer, the Chief Sustainability & Risk Officer, the Audit, Risk and Sustainability Committee and the Supervisory Committee, in keeping with operating conditions and the legislative and regulatory framework.

The Executive Director in charge of the Internal Control and Risk Management System submitted this 2024 annual report to the Board of Directors at the meeting held on 18 March 2025.

Coordination between parties involved in the Internal Control and Risk Management System

The Board of Directors approved the Guidelines for the Brembo Internal Control and Risk Management System, that indicates the objectives of the Internal Control and Risk Management System and describes its participants and bodies — both inside and outside the Company —, illustrates their responsibilities and defines methods of interaction and coordination of the various parties involved.

In order to effectively implement these guidelines, the Executive Director in charge of the Internal Control and Risk Management System has defined the "Policies for the Management of the Internal Control and Risk Management System" with the aim of tracing its overall integrated structure, so as to permit the main Company risks to be identified and managed and to design the Internal Control and Risk Management System in light of the current organizational structure, the legislative and regulatory framework and best practices. This is aimed at ensuring ongoing information flows among the various parties, with a view to greater efficiency and maximum mutual integration.

4.3.3.1 INTERNAL AUDIT FUNCTION AND CHIEF INTERNAL AUDIT OFFICER

According to the recommendations of the Audit, Risk and Sustainability Committee and the Executive Director in charge of the Internal Control and Risk Management System, on 15 September 2022 the Board of Directors appointed Matteo Tradii as Chief Internal Audit Officer and defined his (fixed and variable) remuneration, in accordance with Brembo policies and current laws.

The Chief Internal Audit Officer reports hierarchically to the Board of Directors, and in operational terms to the Executive Chairman. He also interacts with the Audit, Risk and Sustainability Committee, the Director in charge of the Internal Control and Risk Management System and the Chief Executive Officer, in such a way as to ensure constant efficacy and the requisite of independence in the performance of his duties, in accordance with the Company's governance system, while drawing inspiration from best international practices. The Chief Internal Audit Officer is not responsible for any operational areas; he has direct access to all the information required to perform his duties.

The Chief Internal Audit Officer reports the audit results at each meeting of the Audit, Risk and Sustainability Committee and of the Supervisory Committee and once a year to the Board of Directors on the adequacy of the Internal Control and Risk Management System, based on the outcome of the activities performed in the year of reference.

The findings of the Internal Audit function should, at least, include the following:
- any flows in the effectiveness of the Internal Risk Management And Control Systems;
- any findings and observations with a material impact on the risk profile of the Company and its subsidiaries; and
- any failings in the follow-up of recommendations made by the Internal Audit function.

Each year, after having obtained a favourable opinion from the Audit, Risk and Sustainability Committee, the Board of Directors assesses and approves the audit plan and the Internal Audit function's budget.

The mission of Brembo's Internal Audit function is to ensure the performance of independent, objective assurance and advice activities aimed at improving the organization's efficacy and efficiency and assisting in achieving its objectives through a systematic professional approach oriented towards providing value-added services in all areas within its purview with a view to achieving continuous improvement.

The task of Brembo's Internal Audit function is to assess the design and operation of the Internal Control and Risk Management System approved by the Board of Directors, through:
- an understanding of the risks and the assessment of the adequacy of the means used to manage them;
- an assessment of the adequacy and efficacy of the Internal Control and Risk Management System, while promoting effective control, at reasonable costs, with special regard to:
  - the reliability and integrity of accounting, financial, management and non-financial information;
  - the efficiency and efficacy of Company processes and the resources allocated to them;
  - the compliance of processes and transactions with laws, supervisory regulations, rules, policies, plans and internal procedures;
  - the protection of the value of the Company's business and assets.

As part of its work, the Internal Audit function maintains constant relations with all the institutional control bodies and periodic relations with all officers and the heads of functions.

Brembo has vested its Internal Audit function, in the person of the Chief Internal Audit Officer, with responsibility for managing its internal whistleblowing channel, as an autonomous, dedicated office with personnel specifically trained to manage the whistleblowing channel.

4.3.3.2 SUPERVISORY COMMITTEE

As of the Cross-Border Conversion, the Italian regulations set forth in Legislative Decree No. 231/2001, governing the administrative liability of companies and entities, has no longer applied to Brembo. Notwithstanding the foregoing, since Brembo only transferred its registered office to the Netherlands and not the production plants, the Company continues to apply 231 Model and the Supervisory Committee — set up pursuant to that legislation — continues to operate.

The Supervisory Committee:
- is fully independent within the Company, vested with autonomous powers of initiative and oversight, as well as with specific supervisory duties in respect of compliance with and the implementation and updating of the 231 Model;
- is responsible for monitoring that the Company acts in compliance with the 231 Model and for proposing updates required under Italian law;
- is made up of three members, all confirmed by the Board of Directors in the session that followed the shareholders' meeting of 20 April 2023, and they will continue to serve until the end of the annual general meeting to be held in 2026.

Members	Office held	Attendance rate at 2024 meetings (No. 8[19])	Position within the Supervisory Committee
Giovanni Canavotto	Independent Expert	100%	Chairman
Elisabetta Magistretti	Non-Executive Director	100%	Member
Matteo Tradii	Brembo's Chief Internal Audit Officer	100%	Member

The Supervisory Committee specifically:
- consulted independently with the Governance & Compliance Senior Manager to examine certain risk-assessment analyses made by the 231 Team, as well as with the Internal Audit function to analyse the audits carried out as a result of some reports;
- met with the supervisory committees of Group companies, where formed, to exchange information on the activities carried out during the reporting period;
- attended the meetings of the Audit, Risk and Sustainability Committee for the matters within its responsibility and interest and to exchange information on a periodic basis.

To check that the 231 Model was implemented effectively, audit activities were carried out with the support of the Internal Audit function, based on a specific audit plan approved by the Supervisory Committee's action plan, and through the following activities:
- an analysis of the flow of information contained in the half-yearly report submitted to the Supervisory Committee by the internal functions of the Company and its subsidiaries;
- meetings with the Heads of sensitive areas and/or functions within the meaning of Legislative Decree No. 231/2001;
- an analysis of the reports received at the whistleblowing channel.

In acknowledging the ongoing updating of the 231 Model and its protocols and in keeping with the assessments previously expressed, the Supervisory Committee confirmed that the general structure of Brembo's 231 Model remains intact, and that the Internal Audit function's assurance and monitoring activities, the 231 risk assessment and the various reports submitted revealed no facts, acts, events or omissions that were critical in respect of compliance with the requirements of the 231 Model.

During the year, no violations of laws subject to the penalties provided for in Legislative Decree No. 231/2001 were reported.

4.3.3.3 CODE OF ETHICS AND BREMBO CORPORATE AND COMPLIANCE TOOLS

Brembo has grown extensively in recent years, expanding beyond Italy's borders to become a multinational industrial force that competes and does business on a global playing field. It is a transformation that has been clear for all to see and a source of pride for us all.

Obviously, this has introduced a great deal of complexity into how we do business, at a geographical, legislative and cultural level, demanding much more stringent standards of conduct that more effectively respond to new and very diverse statutory requirements.

Brembo considers that transparent, ethical and compliant conduct, under all aspects, is essential for the Company's activities to be managed correctly. This means not only observing the current laws and regulations but also considering the expectations and aspirations of the various stakeholders.

To promote a Group's prevention policy, Brembo has implemented an integrated global compliance system, adopting a system of tools which apply to the entire Group (Brembo Corporate and Compliance Tools) designed to ensure a high ethical standard in business conduct.

Having a Code of Ethics first and foremost means having respect for people. We are determined to ensure the same dignity and treatment for all the people who, in different countries and continents, create and promote Brembo products and solutions, while providing everybody in the Brembo Group with a series of tools to convey the ethical values on which Brembo's reputation is founded and safeguarded, both inside and outside the workplace.

The Code of Ethics is the mainstay of this system, but the Code of Ethics must be read and interpreted together with the other documents considered essential for the development and dissemination of the Group's core values (i.e. Brembo Corporate and Compliance Tools). The Code of Ethics has been approved by the Board of Directors on 30 July 2024. The Code of Ethics, that applies to all Brembo subsidiaries, is a fundamental instrument to promote ethical behaviour and the culture of integrity, by respecting all diversities, in line with the growth and complexity of the Group on a geographical, legislative and cultural level. The primary goal of the Code of Ethics is to foster in us all

19 In 2024, the Supervisory Committee met on 31 January, 21 February, 1 March, 3 May, 22 July, 25 September, 25 October and 11 December.

the capacity to share and spread behaviours to support the sustainable growth of the company, while encouraging understanding and respect for diversity and building a true culture of integrity. These are the values that have reinforced how we do business every day, since the establishment of the company. The new 2024 edition expresses principles and values for responsible growth, as well as defining our global commitment to a sustainable future. The document, disseminated to the Company and its subsidiaries, is written in English and Italian; the translation into the different local languages is underway. An online training course on the new version, released in early 2025, will enable each user to familiarize themselves with the contents of the document and deepen their knowledge of the values on which the Company's reputation is based.

All the codes and policies adopted and described below (Brembo Corporate and Compliance Tools) apply to the Brembo Group (Corporate Governance | Brembo Corporate Code and Policies), unless otherwise specified.

231 Model (applicable to the Company)	General section	A general section illustrating the Company's profile, the regulations of reference, underlying principles and the elements making up the Model (Corporate Governance System, Internal Control System, Principles governing the system of delegated powers, Code of Ethics), the function of the Model, the ways in which the Model is constructed and structured, the recipients of the Model, relations with Group companies, as well as the disciplinary system and the measures to be implemented in terms of training, circulation, amendment and updating. Following the Cross-Border Conversion and the adoption of a new governance system, the general section of the 231 Model was updated accordingly (in July 2024). On this occasion, the list of the 231 offences and some special sections were also updated.
	Special sections	The special sections and the associated sensitive activity analysis sheets (the latter of which are intended for the Company's exclusive internal use) focusing on specific types of 231 offences which — considering Brembo's profile and business operations — could, in the abstract, be committed within the Company.
Compliance Guidelines		The Compliance Guidelines summarize the main rules of conduct and main control principles indicated in the special sections of the 231 Model which the subsidiaries are required to adopt to prevent crimes within the meaning of Legislative Decree No. 231/2001 from being committed. They prevent criminal liability being transferred to the Company and its subsidiaries and vicarious corporate liability being transferred from the subsidiaries to the Company. The most recent edition was approved by the Board of Directors on 28 July 2022.
Antibribery Code of Conduct		The Antibribery Code of Conduct is, in line with the principles entrenched in the Code of Ethics and international best practices, aimed at: • ensuring transparency principles; • clearly delineating the bounds of permitted behaviour and ensuring compliance with antibribery regulations in force in all the jurisdictions in which Brembo operates by any and all persons serving Brembo in any capacity whatsoever; • ensuring the highest levels of integrity by defining, *inter alia*, Brembo's policy regarding the acceptance and offer of gifts, hospitality and entertainment (i.e., the free provision of goods and/or services for promotional or public relations purposes). The Antibribery Code of Conduct defines each party's responsibilities to ensure the observance of the highest standards of integrity and avoid any suspicion of inappropriate motivations underlining the offer or acceptance of a gift or act of hospitality, or an undue influence exercised on or by the recipient who accepts such an offer. The second edition of the Antibribery Code of Conduct, approved by the Board of Directors on 27 July 2017, raises the maximum limit on Brembo merchandising gifts (intended to promote the brand), while also requiring that subsidiaries adopt a merchandising catalogue like that of the Company. In 2024, the Antibribery Code of Conduct was also extended to Brembo Thailand and its content was disseminated to its employees. The related training to the employees will be provided within 2025.
Antitrust Code of Conduct		In 2017, to raise awareness among departments of compliance with competition rules, in accordance with the principles enshrined in its Code of Ethics, Brembo prepared and adopted an Antitrust Code of Conduct, in addition to the other compliance documents already issued. It represents a practical guide, tailored to Brembo's business, that provides a simple, accessible explanation of: • the restrictions imposed by antitrust rules; • the cases in which such restrictions may most frequently be breached; • the most common areas/situations of risk of violations of antitrust rules; • the proper behaviour to be adopted to ensure full compliance with antitrust legislation in the various countries in which Brembo operates.

Antitrust Code of Conduct	The Antitrust Code of Conduct applies to employees of the Company and its subsidiaries in the European Union and forms a model of reference for the compliance programs. The Antitrust Code of Conduct is a point of reference for the Company's compliance programs and applies to employees of both the Company and the European subsidiaries. In 2019, the local boards of directors of the European subsidiaries implemented the Antitrust Code of Conduct with an addendum (translated into the local language) with the aim, *inter alia*, of indicating and modifying (where necessary) employees' behaviour in accordance with local legislation
Privacy Policy and other Operating Procedures	The Privacy Policy was approved by the Board of Directors on 8 May 2018 to set out the most important personal data protection principles and how they are to be implemented, including in light of the new European General Data Protection Regulation (Regulation No. 679/2016/EU – GDPR), applicable in all Member States of the European Union with effect from 25 May 2018. The Privacy Policy applies to the Company and its subsidiaries based in the European Union. The Data Protection Officer submits on an annual basis to the Board of Directors the Data Privacy Officer's annual report (in 2024, this occurred on 7 November). The annual report was drawn up taking account of: (i) internal and external (supplier) control activities performed; (ii) statistics regarding any personal data breaches that have occurred; (iii) the number of requests received from data subjects; (iv) training activity carried out and planned; (v) the number of requests for information received from local supervisory/judicial Authorities; (vi) personal data processing impact assessments conducted during the period. Based on the findings of this year's annual report, the Data Privacy Officer deemed appropriate the level of alignment with the GDPR. In addition, operating procedures such as the following have been issued in execution of the Privacy Policy: • Data Breach Management Procedure; • Procedure for the Exercise of the Rights of Data Subjects; • Procedure Privacy by Design – Privacy By Default; • Procedure for the Exercise of the Right to Data Portability.
Modern Slavery Statement	In accordance with the contents of the British Modern Slavery Act 2015, the Company publishes its Modern Slavery Statement on an annual basis. The statement: • was adopted for the Company and for some of the Group companies subject to the legislation (Brembo Poland Sp.Zo.o., Brembo Czech S.r.o., Qingdao Brembo Trading Co. Ltd. and J.Juan SAU). It should be noted that AP Racing, a subsidiary of the Company, prepares and approves its own statement and publishes it on its own website; • describes the organization, sensitive areas and actions/measures adopted by the Company to ensure the absence of any form of modern slavery, forced labour and human trafficking both in respect of its own employees and of the supply chain (identified by the same legislation as areas exposed to risk).
Global Tax Strategy	In 2019, Brembo started the implementation of the Tax Control Framework (set of rules, procedures, organizational structures and control measures to allow the risk arising from the tax variable to be reported, measured, managed and controlled) so as to guarantee that tax management (for both the Company and the Group) ensures to pursue the following objectives over time: long-term growth of company assets and protection of the Group's reputation and the interests of its shareholders; proper, timely calculation and payment of taxes due by law and fulfilment of the related obligations; containment of tax risk, understood as the risk of violating national and international tax laws or abusing the principles and purposes of the tax system. In particular, during the meeting held on 7 November 2019 the Board of Directors approved the global tax strategy and the Company's tax strategy. The Company also implemented: an Interpretative Tax Risk Management Policy, drafted in the form of a procedure applicable solely to the Company, designed to ensure the consistency, objectivity and traceability of the interpretative decisions made by the Tax Function of the Company, including by establishing appropriate rules for the processing of reaching such decisions; the Brembo Group's Tax Compliance Model, which contains the organizational and governance guidelines that the company functions of Brembo entities within the TCF scope follow to ensure proper management of tax risk. There are multiple benefits resulting from implementing the Tax Control Framework (such as mitigation of the responsibilities of company bodies, reduction of situations of conflict with revenue authorities due to preventive risk management, prevention of violations of tax laws and a potential reduction of the penalties applied to the Group, etc.) and they all contribute to informed, scrupulous and effective management of the tax variable.

The Internal Audit global central function investigates violations of the Code of Ethics and Brembo Corporate and Compliance Tools) by periodical or ad hoc audits. Periodical reporting is delivered to the Executive Chairman, the CEO and the Audit, Risk and Sustainability Committee.

In line with best practice provision 2.6.1 of the DCGC, and in compliance with the current European Directive (2019/1937), Brembo has in place a whistleblowing channel to report any breaches or violations of the:

- Code of Ethics and the Antibribery Code of Conduct and other codes of conduct;
- regulatory provisions within the scope of the Group's activity;
- the 231 Model;
- Brembo Corporate & Compliance Tools and any policies and procedures or irregularities in the application of internal procedures.

Furthermore, the whistleblowing channel:

- guarantees, through computer methods and encryption tools, the confidentiality of the identity of the reporter, the persons involved, as well as the content of the report and related documentation;
- is managed by the Internal Audit function, an autonomous office with staff specifically trained to manage the reporting channel;
- is available to employees and collaborators, suppliers and customers, shareholders and people with administration, management, control, supervisory or representative functions and any person related to the Group's business, that can report any cases of violations and irregularities without fear of potential retaliation, through the dedicated channels.

The mechanism is regulated by procedures available on the Intranet or on the website **Whistleblowing Channel | Brembo Corporate**.

4.3.4 GENERAL MEETINGS

Pursuant to Dutch law, the annual general meetings shall be held each year no later than six months after the end of the financial year of the Company.

The purpose of the annual general meeting is to discuss, *inter alia*, the annual report, the adoption of the annual accounts, allocation of profits (including the proposal to distribute dividends), discharge of Executive Directors and Non-Executive Directors for their duties conducted in the past financial year, appointment of the external auditor and other proposals brought up for discussion by the Board of Directors.

Further general meetings shall be held whenever the Board of Directors deems it necessary, subject to the provisions of sections 2:108a, 2:110, 2:111 and 2:112 of the Dutch Civil Code.

In 2024, the Company held the last shareholders' meeting according to the Italian Civil Code, on 23 April, the day before the date of effectiveness of the Cross-Border Conversion. In that occasion, the meeting had:

- an *ordinary session* — the shareholders' meeting approved the following matters:
  - financial statements 2023 and consolidated financial statements 2023;
  - allocation of profits;
  - consolidated statement on non-financial information 2023 according to the Italian Legislative Decree No. 54/2016;
  - examination of the report on the remuneration policy 2024 and the remuneration paid report 2023;
  - authorization to purchase treasury shares.
- an *extraordinary session* — the shareholders' meeting approved some amendments to the AoA pursuant to Dutch law, approved by the shareholders' meeting of 27 July 2023, with effect from the effective date of the transfer of the Company's registered office to the Netherlands.

In 2024, the Company held no extraordinary general meetings.

The AoA govern the convocation and conduct of the general meetings, as illustrated here below.

4.3.4.1 VENUE AND LANGUAGE OF GENERAL MEETINGS

According to the AoA (Article 36), general meetings are convened by the Board of Directors and held in Amsterdam, Rotterdam, The Hague or Haarlemmermeer (including Schiphol Airport), at the choice of those who call the meeting. The 2025 annual general meeting will take place in Schiphol Airport.

The official language of the general meetings is English.

4.3.4.2 NOTICE AND AGENDA OF GENERAL MEETINGS

Notice of general meetings is given by the Board of Directors, 42 days before the date set for the meeting, and states the venue, time and subjects of the meeting, the requirements for admittance pursuant to the AoA and any other information deemed necessary according to the AoA.

The Company makes the notice of the general meeting, the drafts of resolutions, templates for proxies and any other document or information required by Dutch law or by the AoA, available on its website not later than on the 42nd day prior to the date of the general meeting.

Shareholders who, alone or jointly, represent at least 10% of the issued capital have the right to request the Board of Directors that a general meeting be convened, according to the terms and conditions set forth in the AoA. Shareholders who, alone or jointly, represent at least 3% of the issued capital, also have the right to request the Board of Directors to add new items to the agenda of a general meeting (Article 35.6 of AoA).

4.3.4.3 ATTENDANCE OF GENERAL MEETINGS AND RECORD DATE

Each shareholder and each other person entitled to attend the general meetings is authorized to attend and exercise his voting rights in the general meetings through a proxy holder authorized in writing. A person entitled to attend the general meetings, or his proxy holder is admitted to the meeting only after notifying the Company of their intention to attend the meeting in writing.

According to the AoA (Article 38), only those persons who, at the 28th day prior to the date of the general meeting ("Record Date"), which is set in the notice of the meeting, hold the right to cast votes or to attend meetings and will have been registered as such in a register designated for that purpose by the Board of Directors shall be entitled to exercise such rights at the general meeting.

The Board of Directors might determine that the voting rights and the right to attend the general meetings can be exercised by using an electronic means of communication, and the relevant conditions.

4.3.4.4 VOTING RIGHTS AT GENERAL MEETINGS

The number of rights to cast votes per shareholder are conferred by the holding of ordinary shares and Special Voting Shares, according to the SVS Terms.

Votes cast prior to the general meetings by electronic means of communication or by mail, as long as they are not cast before the Record Date, are equated with votes cast at the time of the general meeting.

All resolutions are adopted by an absolute majority of the votes validly cast, regardless of the share capital present or represented, except in those cases in which the law or the AoA require a greater majority. In determining how many votes are cast by shareholders, how many shareholders are present in person or represented, or to what extent the capital subscribed by the Company is represented, the shares for which votes cannot be cast in accordance with law are not considered.

To the extent the AoA do not provide otherwise, with respect to resolutions of the general meeting which can only be adopted if a certain part of the issued capital is represented, a second general meeting may be convened, at which second general meeting such part of the issued capital has to be represented.

4.3.5 RELATIONS WITH INVESTORS: BILATERAL CONTACTS WITH SHAREHOLDERS POLICY

Brembo maintains ongoing dialogue with current and potential investors through regular meetings, conference calls, roadshows, and company visits. This approach allows Brembo to understand their concerns and expectations. The Company is committed to facilitating and maintaining an open and constructive dialogue with its shareholders, investors, and analysts. Brembo aims to keep them updated by providing information equally, simultaneously, clearly, and accurately about the Company's strategy, performance, and other relevant developments. This is achieved through meetings, presentations, conference calls, and other communication channels.

Dialogue with shareholders, investors, and analysts also encompasses environmental, social, and governance ("ESG") issues. These are considered crucial for building a sustainable company identity that is integrated into the business and aimed at creating both present and future value.

The Board of Directors adopted the Shareholder Engagement Policy for the first time on 17 December 2021. Subsequently, following the Cross-Border Conversion and in accordance with best practice provision 4.2.2 of the DCGC and paragraph 9.2 of the Board Rules, the Board of Directors drew up and adopted the Brembo Bilateral Contacts with Shareholders Policy on 24 April 2024.

The Shareholder Engagement Policy governs the relations between the Company, the shareholders, investors and analysts, or with their representatives and advisors and lays down the themes and methods of implementing a dialogue between the Company and the shareholders in general, drawing inspiration from the principles of propriety, transparency and symmetry of information, in accordance with European, Italian and Dutch legislation on market abuse regulations and taking into account the best practices adopted by institutional investors reflected in their stewardship codes.

The Board of Directors provides steering, monitoring and verification of the dialogue. The Executive Chairman handles operational management of all processes of engagement and dialogue with the shareholders, investors and analysts, ensuring that such processes are always performed in the Company's best interest and in accordance with the laws, regulations, the Shareholder Engagement Policy and internal rules. At the operational level, the main point of contact between Brembo and its shareholders, investors and analysts is the Investor Relations team, under the responsibility of the Executive Chairman, which the shareholders, investors and analysts may contact to request information and submit their opinions. Up-to-date references and contacts are available on the Company's website (**Brembo Investors | Brembo Corporate**).

Activities carried out in 2024

In 2024, interactions with current and/or potential Investors and shareholders took place both in virtual mode, through video-meetings or conference calls, and at face-to-face meetings. Meetings were held with international and Italian institutional investors, in one-to-one sessions or small groups. The topics discussed during such sessions included, for instance, the Company's business model and long-term strategy (also in light of the announcement of the Cross-Border Conversion), the performance of the main markets of reference, ESG matters, analysis of the main competitors, in-depth information on new products and market trends, M&A strategy, capital allocation strategy, and analysis of published operating and financial performance results.

Additionally, questions were asked about the impact of recent trends in the car industry and the effects of the geopolitical situation.

In 2024, the Company presented the Group's operating and financial results to the financial analysts' community during four conference calls (held in English with their transcription made available on the Company's website **Brembo Investors | Brembo Corporate**).

The Board of Directors is periodically informed on the development and content of the dialogue and discussions with the current and/or potential shareholders and/or investors of the Company. These activities were carried out during the following meetings: 5 March, 9 May, 30 July and 7 November. Moreover, at the date of publication of this annual report, the Board of Directors was updated also during the meeting of 18 March 2025.

4.3.6 HANDLING OF CORPORATE INFORMATION – INSIDE/RELEVANT INFORMATION AND INSIDER DEALING

In accordance with current legislative and regulatory provisions, Brembo has adopted specific internal procedures to guarantee the highest level of propriety, accuracy and timeliness in the corporate information handling process, in addition to ensuring the market the utmost transparency and accessibility to prevent any market abuse.

The Procedure for the handling inside/relevant information defines the principles and rules governing the internal management and the disclosure of information concerning the operations of Brembo and the Group, with specific regard to inside and relevant information. The procedure applies, with binding effect, to directors, auditors, employees of Brembo and its subsidiaries as well as to external parties acting in the name and on behalf of the Company and its subsidiaries and who, for any reason, have access to information concerning Brembo and its subsidiaries. All other recipients of the procedure are required to keep documents and information acquired while carrying out their duties confidential, with reference to inside information. Notices to the authorities and public are issued according to the terms and procedures of applicable laws.

The Internal Dealing Procedure regulates on a mandatory basis the performance, also through third parties, of transactions in financial instruments of the Company by significant persons and persons closely related to them, and related disclosure to ensure greater transparency towards the market. The procedure, *inter alia*, sets forth that all relevant persons must refrain from effecting transactions unless priorly authorized by the Company, both performed on their own account or on behalf of third parties, directly or indirectly during the 30 days immediately preceding the publication of annual, semi-annual, quarterly or other interim financial reporting (blackout periods).

Both procedures (approved by the Board of Directors on 24 April 2024, following the Cross-Border Conversion) are essential elements of the internal control and risk management system of Brembo and are part of the rules and regulations adopted by it to prevent the commission of market abuse offences and crimes, and they are available on Brembo's website (**Corporate Governance | Brembo Corporate**).

4.3.7 COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

Companies with registered office in the Netherlands whose shares are listed on a regulated stock exchange or comparable system are required pursuant to the DCGC to disclose in their annual reports whether or not they are complying with the various provisions of the DCGC and properly explain the relevant deviations or non-compliances.

Therefore, as of the Cross-Border Conversion, the Company decided to construct its corporate governance system inspired by and implementing, where possible, the principles and best practices set forth in the DCGC, in its latest edition (December 2022).

The Company has a governance structure made up of a one-tier board. Pursuant to the DCGC, the provision in the DCGC that relate to supervisory board members also apply to non-executive directors.

As per 31 December 2024, the Company complies with the principles of the DCGC, except for the following:

Main deviations compared to the DCGC

Ref. in DCGC – Deviations	Justifications
Best practice provision 2.3.2 (establishment of committees)	According to provision 2.3.2 of the DCGC, if the Company has more than four non-executive directors, it shall appoint an audit committee, a remuneration committee and a selection and appointment committee. The Board of Directors has combined the functions and the responsibilities of the remuneration committee and the selection and appointment committee in one committee, the Remuneration and Appointment Committee. The Company feels that there would be no benefits for the Company, given its size and organizational structure, in splitting the Remuneration and Appointment Committee as prescribed under the DCGC.
Best practice provision 2.3.7 (vice-chairman of the Board)	According to provision 2.3.7 of the DCGC, the vice-chairman of the Board should deputise for the chair when the occasion arises. According to Article 18.4 of the By-Laws, the Board of Directors may designate a deputy chair chosen among the Non-Executive Directors for a period decided by the Board and may entrust the deputy chair with one or more duties of the Lead Non-Executive Director in case the latter is absent. However, the Company feels that there would be no benefits for the Company, given its size and organizational structure, in the appointment of a permanent deputy chair.
Best practice provision 3.2.3 (severance payments)	According to provision 3.2.3 of the DCGC, the remuneration of Executive Directors in the event of dismissal should not exceed one year's salary (the 'fixed' remuneration component). The employment agreement of the current CEO, Daniele Schillaci, envisages a specific procedure of termination by mutual agreement that entitles the CEO to the payment of a lump sum one-off indemnity equal to 18 months of an amount corresponding to the sum of the fixed emolument for the office, the consideration for the non-competition agreement and the maximum amount payable by way of short-term variable component (MBO), in the event of removal or non-renewal at the end of the office and/ or mandate without just cause, of resignation from the office and waiver of mandate by Daniele Schillaci, necessitated by such a serious reason as to make his continuation impossible, or in case of resignation following a change of control pursuant to Article 2359 Italian Civil Code. The report on the remuneration policy provides for a minimum amount of such one-off indemnity. This one-off indemnity will be paid on the condition that Daniele Schillaci signs a settlement agreement in which he waives any further claims or demands in respect of Brembo. As regards the remaining Executive Directors, their employment relationship is governed by the relevant Italian collective labour contracts.

4.3.8 COMPLIANCE WITH THE ITALIAN CORPORATE GOVERNANCE CODE

As regards the Italian framework for corporate governance, Brembo has always considered also the Italian corporate governance code ("ICGC") applicable (starting from January 2021) to all companies with shares listed on Euronext Milan as a reference for best practices.

Notwithstanding the Cross-Border Conversion, the Company's corporate governance structure continues to be substantially in line with all the principles and recommendations set forth in the ICGC, especially since the Company has adopted, and complies with, the DCGC, which contains principles and best practice provisions largely similar to those highlighted in the ICGC, except for the following:

Main deviations compared to the ICGC

Ref. in ICGC – Deviations		Justifications
Definitions	**Chief Executive Officer (CEO)**	Based on the Group's current organizational structure, there are several individuals who may be characterized as holding primary responsibility for management of the Company, identifiable as those in the following roles: • Executive Chairman; • Chief Executive Officer (CEO); • the Director in charge of the Internal Control and Risk Management System and the Chief Legacy Officer; • all designated Executive Directors, to whom the Board of Directors granted specific powers, authority, duties and areas of responsibility. Accordingly, all references in the Board performance assessment to the person holding primary responsibility for management of the Company or CEO are specified in the Brembo ICGC as identifying one of the roles indicated above by virtue of the powers, authority, duties and areas of responsibility defined by the Board of Directors. P.S.: In the Q&A included in the ICGC it is specified that companies normally identify a single executive director as the person holding primary responsibility for management. However, the Board of Directors may identify more than one such person where multiple Directors are attributed equivalent management powers.
Article 2 – Composition of the corporate bodies	**Recommendation 4 Chairman's role**	Based on the Brembo Group's organizational and corporate structure (company with concentrated ownership), the Board of Directors has decided to assign an executive role to the Executive Chairman to ensure optimal use of the wealth of knowledge, experience, values and skills gained over time, so that the Group may continue its growth and development without interruption, in accordance and harmony with its past and identity. The independence of judgement of the Board of Directors in its activities is in any case ensured by the presence of six (6) Directors qualifying as independent, whose professional expertise and authoritativeness are an additional guarantee that all Board of Directors' decisions are taken in the sole interest of the Group and its stakeholders, without being subject to any direction or interference from third parties representing interests other than those of the Company.
	Recommendation 7 Independence criteria	The Board of Directors assesses on an annual basis, after the preliminary review by the Remuneration and Appointment Committee, whether the individual Directors meet the independence requirements. Such assessment is performed in compliance with the consolidated principle of the prevalence of substance over form, which takes account of the principles set out in the ICGC, the professionalism and dedication shown, as well as the active participation in Board meetings, and the speeches and thoughts relating to debate within the Board.
Article 4 – Appointment of Directors and Board of Directors' self-assessment process	**Recommendation 19a) Board performance evaluation**	On the proposal of the Remuneration and Appointment Committee, the Board of Directors assigned the Lead Non-Executive Director responsibility for coordinating the Board performance assessment, in addition to determining that the process of evaluating and circulating the plan of activity and its results would involve the participation of all independent Directors and not just the members of the Remuneration and Appointment Committee. This was determined considering the well-consolidated, effective methods used by the Lead Non-Executive Director and independent Directors (who, *inter alia*, are members of the Remuneration and Appointment Committee) to perform this activity in the course of the Board of Directors' previous terms and to proceed in continuity with the previous editions of the Board performance assessment.
Article 6 – Internal Control and Risk Management System	**Recommendations 32 b) and 34 CEO – Internal Control and Risk Management System**	The Board of Directors identified the Executive Director with the role of Chief Legacy Officer as the Director responsible for setting up and maintaining the Internal Control and Risk Management System, based on the experience gained over the years and the knowledge of Brembo's business sector and in continuity with the governance model for the Risk Management and Control System implemented to date.

4.3.9 DISCLOSURE PURSUANT TO ARTICLE 10 EU DIRECTIVE ON TAKEOVERS

In accordance with the Dutch Takeover Directive (Article 10) Decree (*Besluit artikel overnamerichtlijn*, the "Decree"), the Company makes the following disclosures:

a) at 31 December 2024, the issued share capital of the Company consisted of €7,007,202.04 and was composed of:
   - 333,922,250 ordinary shares with a nominal value of €0.01 each;
   - 9,135,412 Special Voting Shares A with a nominal value of €0.01 each;
   - 178,831,271 Special Voting Shares B with a nominal value of €0.01 each.

   The total number of voting rights was 700,720,204.

   For further information:
   - on the Company's capital structure, the types of shares (i.e., ordinary shares and Special Voting Shares), and related rights and obligations, and the issued share capital, please see paragraph 2.1 (Capital Structure and its evolution);
   - on the participations in the Company's capital for which a disclosure obligation exists under sections 5:34, 5:35 and 5:43 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), please see paragraph 2.3 (Major shareholders). There you will find a list of shareholders who are known to the Company to have an interest of 3% or more at the stated date;
   - on the rights attached to ordinary shares and Special Voting Shares, reference is made to the AoA and to the SVS Terms, which can be found on the Company's website. To summarize, such rights include pre-emptive rights upon the issue of shares, the right to attend general meetings of the Company and to speak and vote at such meetings and to resolve on and the entitlement to the distribution of such amount of the Company's profit as remains after allocation to the reserves. Special Voting Shares do not entitle to pre-emptive rights on the issuance of shares of any class and with respect to the issuance of Special Voting Shares no pre-emptive rights exist, except for the provision of Article 16.3 of the AoA;

b) the Company has imposed no limitations on the transfer of ordinary shares. Article 13 of the AoA and the SVS Terms provide for transfer restrictions for Special Voting Shares;
c) no special control rights or other rights accrue to shares in the capital of the Company other than the right of holders of ordinary shares to receive Special Voting Shares if and when the terms and conditions as set out in Article 16 of the AoA and the SVS Terms are met;
d) a mechanism for verifying compliance with a scheme allowing employees to subscribe for or to acquire shares in the capital of the Company or a subsidiary if the employees do not arrange for such verification directly is not applicable to the Company;
e) no restrictions apply to voting rights attached to shares in the capital of the Company, nor are there any deadlines for exercising voting rights. The AoA allow the Company to cooperate in the issuance of registered depositary receipts for ordinary shares, but only pursuant to a resolution to that effect of the Board of Directors. The Company is not aware of any depository receipts having been issued for shares in its capital;
f) the Company is not aware of the existence of any agreements with shareholders which may result in restrictions on the transfer of shares or limitation of voting rights;
g) the rules governing the appointment, suspension and dismissal of Directors are stated by Articles 20-21-22 of the AoA;

h) the amendment of the AoA is governance by Article 43 of the AoA;
i) the general powers of the Board of Directors are stated in Article 17 of the AoA and in the Board of Directors Rules. In particular, according to Article 6 of the AoA, the Board of Directors will be the competent corporate body to issue shares for a period of five years with effect from 24 April 2024.
The Board of Directors is also authorized to limit or exclude pre-emptive rights of shareholders when issuing ordinary shares or granting rights to subscribe for ordinary shares, for the same term. After the five-year term, shares may be issued pursuant to a resolution of the general meeting unless the Board of Directors is designated to do so by the general meeting. Such designation can be made each time for a maximum period of five years and can be extended each time for a maximum period of five years. A designation must determine the number of shares of each class concerned which may be issued pursuant to a resolution of the Board of Directors. A resolution of the general meeting to designate the Board of Directors as the body of the Company authorized to issue Shares can only be withdrawn at the proposal of the Board of Directors. The body of the Company resolving to issue Shares must determine the issue price and the other conditions of issuance in the resolution to issue;
j) after the five-year term, pre-emptive rights may be restricted or excluded by a resolution of the general meeting. However, with respect to an issue of ordinary shares pursuant to a resolution of the Board of Directors, the pre-emptive rights can be restricted or excluded pursuant to a resolution of the Board of Directors if and insofar as the Board of Directors is designated to do so by the general meeting;
k) pursuant to Article 8 of AoA, the Company is entitled to acquire fully paid-up shares in its capital with due observance of the relevant statutory provisions. Acquisition of the Company's own shares for valuable consideration is permitted only if the general meeting has authorized the Board of Directors to do so. Such authorization will be valid for a period not exceeding eighteen months. The general meeting must determine in the authorization the number of shares which may be acquired, the manner in which they may be acquired and the limits within which the price must be set.
The Board of Directors may, without authorization by the general meeting, acquire its own shares for the purpose of transferring such shares to employees of the Company or of a group company (*groepsmaatschappij*) under a scheme applicable to such employees, provided such shares are listed on a stock exchange;
l) the Company is not a party to any significant agreements which will take effect, will be altered or will be terminated upon a change of control of the Company as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act, provided that certain of the loan agreements entered into by the Company contain clauses that, as is customary for financing agreements of similar type, may require early repayment or termination in the event of a change of control of the Company;
m) the Company did not enter into any agreement with a Director or employee of the Company providing for a payment upon the termination of employment as a result of a public offer within the meaning of section 5:70 of the Dutch Financial Supervision Act.

4.3.10 CONTROL AND RESPONSIBILITY STATEMENT

In accordance with best practice 1.4.3 of the DCGC, it is confirmed that:

- this report provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems as set out in the Internal Control and Risk Management System section of this report, where no major failings were identified in the 2024 financial year;
- the internal risk management and control systems provide reasonable assurance that the 2024 financial reporting does not contain any material inaccuracies. The Internal Control and Risk Management System section of this annual report provides further details;
- in light of the current situation, financial reporting is prepared on a going-concern basis, as management has assessed the existence of the requirements. Compliance with the DCGC is evident in factors such as the Group's strong cash position, the available credit facilities, the Group's risk management, and the Group's ability to meet its obligations without substantial restructuring or selling of its assets. For more detailed information please refer to the paragraph 4.4;
- this report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of 12 months after the preparation of the report. The Internal Control and Risk Management System section of this annual report together with the Group Performance section provides a clear substantiation of the above-mentioned statement.

4.3.11 REPORT OF THE NON-EXECUTIVE DIRECTORS

Below is provided the Report of the Non-Executive Directors for the financial year 2024, as referred to in best practice provision 5.1.5 of the DCGC.

Supervision by the Non-Executive Directors

The Non-Executive Directors are in charge of supervising the policies implemented by the Executive Directors and the general affairs of the Company and its subsidiaries, including the deployment of the strategy of the Company regarding long-term value creation.

The Non-Executive Directors, also with the support of committees, supervise at least the following key elements:
a) ensuring compliance with all relevant laws and regulations, the AoA and good corporate governance practice;
b) integrity and quality of financial and sustainability reporting, ensuring the adequacy of financial controls and risk management systems; and
c) reviewing the performance of the Board as a whole, each Director individually, and the committees of the Board.

Regarding participation in the formulation of the long-term sustainable value strategy and the supervision of the Non-Executive Directors on its implementation, the Non-Executive Directors, at the meeting of the committees, for those who are members of them, as well as collectively within the Board:

- discussed strategic matters with the Executive Directors during meetings of the Board of Directors, including, potential acquisitions and disposals, extraordinary

transactions, financing operations, yearly budgets and long-term business plans and the annual, half yearly and quarterly financial reports;
- participated in Board resolutions designed to establish the Company's strategy;
- assessed the Internal Control and Risk Management System as adequate and effective and also examined the financial and sustainability reporting process;
- examined the ESG matters including sustainability, diversity and climate implications;
- monitored progress on the global sustainability strategy and approving the non-financial declaration contained in the annual report and the sustainability report;
- approved the contents of the remuneration policy, taking into account the criteria detailed in the remuneration report;
- having heard the opinion of the Audit, Risk and Sustainability Committee, approved the adjustment to the external auditors' fees for 2024 audit activities related to non-financial reporting.

During 2024, supervision of the Non-Executive Directors as part of the activities of the committees was carried out, inter alia, while performing the activities listed below.

2024 Committees activities

The Board of Directors has established the Audit, Risk and Sustainability Committee and the Remuneration Appointment Committee. Further details on how these committees have carried out their duties are set forth in paragraphs 3.2.1 (Remuneration and Appointment Committee) and 3.2.2 (Audit, Risk and Sustainability Committee). The Non-Executive Directors have been regularly informed by each committee of the results and recommendations of these meetings in accordance with the best practice provision 2.3.5 of the DCGC, and the conclusions of those committees were considered when drafting this Report of the Non-Executive Directors.

2024 Audit, Risk and Sustainability Committee activities

2024 no. of meetings	2024 meetings dates	2024 meetings duration	2024 attendance rate
10	31.01, 01.03, 19.03, 03.05, 22.07, 25.09, 25.10, 11.12, 16.12, 19.12	4 hours	100%

During 2024, the Audit, Risk and Sustainability Committee:

Internal Control System and Internal Audit	The Audit, Risk and Sustainability Committee supported the Board of Directors in constantly monitoring activities relating to the design, implementation and management of the Internal Control and Risk Management System. The committee also examined and discussed the activities carried out by the Internal Audit function and relevant findings (compliance, management and monitoring activities as follow-up campaigns, continuous monitoring and follow-up on field), agreeing on methods and timing for the receipt of periodic or event-based information, with particular reference to significant events subject to audits, whistleblowing reports and litigation; the committee then examined the audit plan prepared by the Internal Audit function for 2024, in accordance with paragraph 1.3.3 of the DCGC, together with the budget for that function for 2024 (on 31 January, 21 February, 1 March, 3 May, 22 July , 25 September, 25 October, 11 December). These findings did not reveal any significant critical issues and allow the committee to confirm the substantial adequacy of the Internal Control and Risk Management System. The committee: • has been involved in the Internal Audit function's process of drawing up the Company's audit 2024 budget and 2024 plan and it constantly monitors the progress of the latter; • record how the Audit, Risk and Sustainability Committee is informed by the internal auditfunction. It also examined the reports submitted by the Chief Internal Audit Officer on the approval of the 2024 Annual Report (18 March 2025).
External auditor	The external auditor periodically attended the meetings of the committee: • to share the development of the audit plan prepared by the external auditor, to review the findings and outcomes of the audit work on the annual and semi-annual accounts (19 March and 22 July 2024, 10 March 2025); • to discuss the findings and outcomes of management letter 22 July 2024); • to be informed about the activities done by the Company and by the Committee in connection to the drafting of the non-financial reporting and the definition of the double materiality so that it received all information that was necessary for the performance of his work on 25 September, 25 October and 11 December; • on 27 January, 2025 to present the external audit plan. In addition: • on 3 May 2024, the committee examined the proposal for the engagement of the external auditor for the legal audit activities for the financial statements 2024 by Deloitte Accountants B.V. and Deloitte & Touche S.p.A., expressing a positive opinion with a view to approval by the Non-Executive Directors on 9 May 2024; • on 27 January 2025, the Committee examined the proposal of the audit fees for the audit of the non-financial reporting in 2024, expressing a positive opinion with a view to approval by the Non-Executive Directors on 30 January 2025. The committee periodically reviewed and monitored the independence of the external auditor and discussed the external auditor's non-audit services and related network pursuant to the "procedure for the assignment of non-audit services. The committee was directly involved in updating the procedures for the selection and appointment of the external auditor pursuant to the provisions of the DCGC and for the assignment of non-audit services (July 2024). Moreover, the committee has been involved in the bid for the engagement to audit the annual reports 2026-2030 to assess the terms and conditions of the engagement, the scope of the audit, the materiality to be applied and the remuneration for the audit in order to submit a proposal to the Non-Executive Directors.

Financial reporting process	The committee oversaw the effectiveness of the audit process and assessed and expressed its opinion on the proper use of the accounting standards and their consistency within the Group for the purpose of preparing the consolidated financial statements, based on the information provided by the Chief Administration and Finance Officer, and their consistency for preparing the financial statements. Within this task, during 2024 the committee: • was periodically updated on the finance organizational structure; • examined and discussed, among other things, the 2023 financial statements, the half-year financial report and the quarterly financial results for 2024 of the Group and monitored the financial reporting process and analysed the activities carried out in accordance with the financial compliance standards (and its extension to Group companies – February, May, July and November 2024); • analysed the evaluation criteria and calculation procedures used for the purposes of the impairment tests; • has been periodically updated about the Company financing and funding (February, May, July and November 2024); • examined the reports regularly provided by the Chief Administration and Finance Officer on significant transactions and transactions entailing a potential conflict of interest within the meaning of the corporate regulatory framework currently in force (February, May, July and November 2024); • has been informed about the action plan defined by the Company related to the main points of attention identified in the management letter by the external auditor (that did not reveal significant deficiencies in the internal control system) (July 2024); • has been informed about tax/customs policy and issues of the Group and about the Tax Control Framework implementation within the Group and on tax/customs issues (December 2024).
Risk management	The committee was updated on a regular basis by the Chief Sustainability & Risk Management on the following: • periodic Enterprise Risk Management process, and its integration with ESG factors, reviewing the update to Brembo's risk report as of 31 December 2023 and the Heat Map of the Group's risk profiles (including ESG related risks) and the action/mitigation plans prepared and launched by management (January 2024); • new insurance covers for the Group, with in-depth analysis of the insurance spending trend (September 2024); • plan for financing insurance risks and new insurance covers, which confirms the central role played by the captive company Brembo Reinsurance AG (September 2024); • ERM/ESG risk mapping process (25 September 2024).
Sustainability Statement	In supporting the Board of Directors in its assessments and decisions relating to the sustainability issues and the preparation of the Non-Financial Report, the committee: • has been periodically informed and updated about the legal developments on relevant sustainability legislation and its possible impact and measures required for the Company, and on the implementation into Dutch law of Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive) (25 September and 25 October 2024); • discussed the materiality analysis (25 October 2024); • has been periodically informed about the results of the stakeholder's engagement on the materiality analysis; • analysed the financial materiality and validate the double materiality (11 December 2024); • analysed the final version of the 2024 Sustainability Statement (12 March 2025).
Analysis of specific risks and monitoring the improvement plans launched by management	The committee was updated by: • Industrial Operations Health & Safety: profiles related to construction, maintenance and hazardous work activities (May 2024); • IPR Function: periodic reporting on IPR activities by IPR Manager (May 2024); • Purchasing (July 2024): – challenges along the supply chain; – sustainability projects (PPA on electricity and suppliers ESG evaluation (NQC): 2024 campaign); – Ishango Journey 4 – digital procurement: updates; • People & Organization: the Diversity, Equity and Inclusion journey at Brembo and new Policy on Non-Discrimination and Diversity (including gender objectives – July 2024); • Industrial Operations: ongoing or recently completed construction sites (July 2024); • Legal & Corporate Affairs: update on the report originally received by the Supervisory Committee concerning Poland (May and July 2024); • Transformation: updates concerning Ishango Project, cybersecurity plan and cybersecurity issues (September 2024); • Data Privacy Officer: information on GDPR issues (October 2024); • Quality: information on production waste management (procedures and controls in place) and risks related to the function (December 2024); • Financial Control: information on the scrapping flow (December 2024); • Investor Relations: information on the organization, activities and risks of the function (December 2024).
Related party transactions	During 2024, the committee in its role of Related Party Transaction Committee: • was regularly updated regarding Brembo's list of related parties; • reviewed the related party transactions concluded by the Company during the reporting period based on periodic reporting pursuant to Article 3.4 of the Related Party Transactions Procedure (March, May, July and October 2024); • gave an opinion on framework resolutions pursuant to Article 3.9 of the Related Party Transactions Procedure (11 December 2024).

2024 Remuneration and Appointment Committee activities

2024 no. of meetings	2024 meetings dates	2024 meetings duration	2024 attendance rate
3	23.02, 17.07, 13.12	2 hours	100%

The main activities carried out by the Remuneration and Appointment Committee during 2024 were as follows:

23 February 2024[20]	The Committee: i) with reference to remuneration: • evaluated the closing results of the short-term annual incentive plan (2023 MBO) and defined the proposals of the short-term annual incentive plan (2024 MBO); • examined the report on the remuneration policy 2024 and the remuneration paid report 2023, prepared pursuant to Article 123-*ter* of Italian TUF and expressed a favourable opinion in view of its examination and approval by the Board of Directors; • examined the remuneration proposed for the Lead Non-Executive Director and the proposal for increasing the remuneration of the chairwoman of the Audit, Risk and Sustainability Committee following the Cross-Border Conversion; • received information on the indicators linked to the gender representation and pay gap analysis; ii) with reference to appointments: • examined the individual statements of the Directors and members of the Supervisory Committee to periodically verify — including to support the Board of Directors' self-assessment process — the ongoing satisfaction of the requirements and implementation of the diversity criteria provided for by the regulations of the Board of Directors and 2020 ICGC for Directors, as well as the compatibility of the positions held by them; • assessed the combination of professional profiles and managerial skills in light of Brembo's diversity policies defined by the Regulations of the Board of Directors and the 2020 ICGC; • assessed the individual statements of the Directors and members of the Supervisory Committee to periodically verify the ongoing satisfaction of the requirements set for the different positions in the applicable laws and regulations in force, as well as in the Brembo CGC; • assessed the combination of professional profiles and managerial skills considering Brembo's diversity policies pursuant to Article 123-bis, paragraph 2(d-bis), of Italian TUF defined by the regulations of the Board of Directors and the Brembo CGC.
17 July 2024	The Committee: • examined a proposal of the new Policy on Non-Discrimination and Diversity containing gender objectives to be communicated to the Dutch Social Economic Council; • examined of the votes cast by the shareholders' meeting on Section I and Section 2 of the Report on the Brembo Group's 2024 Remuneration Policy and 2023 Remuneration; • discussed Brembo Remuneration Policies in order to prepare the new LTIP 2025-2027
13 December 2024	The Committee: • has been informed of the estimated and provisional results of the MBO 2024 and the LTIP 2022/2024; • reviewed the benchmarking commissioned by the Company from Mercer on different categories of peers on long-term incentive plans; • analysed the features of the presentation of the new LTIP 2025/2027 and issued a favourable opinion; • has been updated on the achievement of the gender parity certification.
12 March 2025	The Committee: • approved: • the results of the MBO2024, applicable also to the Executive Directors; • the results of the LTIP 2022/2024 • the regulation of the new LTIP 2025/2027; • examined and approved the 2024 remuneration report the remuneration policy for 2025, 2026 and 2027 in view of its examination and approval by the Board of Directors; • assessed the size and composition of the Board of Directors, according to the Board profile and monitored the achievement of the DEI goals.

20 At that date, the transformation had not yet taken effect and therefore Italian law and the Italian corporate governance code applied.

2024 Internal Audit activities

During 2024, the Internal Audit function operated based on the approved three-year audit plan, which is updated on a yearly basis considering the changed risk scenarios.

In particular, the results of the audit and monitoring activities carried out and presented by the Internal Audit function in the 2024 reporting period refer to no. 145 activities, and specifically:

- no. 49 operational audits, of which no. 4 in the IT area and no. 7 consulting projects;
- no. 19 compliance audits and no. 12 ethical audits;
- no. 2 audits relevant to Legislative Decree 231/01;
- no. 18 Financial Compliance testing and re-testing activities, mainly carried out with COT methodology together with the compliance function;
- results of 4 follow-up activities;
- results of no. 1 follow-up activities on action plans emerging from audits carried out by third parties;
- results of no. 49 continuous auditing activities through identified KRIs and follow-up campaigns in order to verify the implementation of the action plans agreed upon with the various Departments in view of the findings emerged during the audit activity.

Throughout 2024, the Internal Audit function continued its monitoring of management of main risks, including through follow-ups of the improvement plans defined by management. It also performed continuous monitoring through data analytics tools on several operating risks, in addition to providing Brembo's management with information and training regarding the Internal Control and Risk Management System.

During the period, a gap analysis was also carried out by the Internal Audit function with respect to the implementation of the new international standards of the Internal Audit function, following which a plan of activities has already been defined, which started in the second half of 2024 and will be preparatory to the certification activities of the function scheduled for 2025.

In the meeting of 28 February 2025, the Chief Internal Audit Officer submitted to the Audit, Risk and Sustainability Committee his annual report on the adequacy of the Internal Control and Risk Management System, based on the outcome of the activities performed in the year of reference. Then he presented it to the Board of Directors on 18 March 2025.

Independence of Non-Executive Directors

This information is reported by the Non-Executive Directors pursuant to the best practice provision 2.1.10 of DCGC.

Based on the declarations received from each Non-Executive Director and the discussion carried out during the annual verification of the requirements for the Company's permanence, the Remuneration and Nomination Committee and, subsequently, the Non-Executive Directors, verified the existence of the independence requirements of the Directors.

On 18 March 2025, the Non-Executive Directors verified and confirmed that the independence requirements continued to be met by six of the seven Non-Executive Directors, namely Ms. Manuela Soffientini, Ms. Elisabetta Magistretti, Ms. Elizabeth Marie Robinson, Ms. Michela Schizzi, Mr. Giancarlo Dallera and Mr. Gianfelice Rocca.

2024 Board performance evaluation/ assessment

Pursuant to best practice provisions 2.2.6 and 2.2.7 of the DCGC, the Board of Directors in office from 20 April 2023, initiated a three-year self-assessment process broken down into three stages, in line with the 2023-2025 Board term as follows:

Year of term	Focus	Description	Activities
2023	**Initial photography**	• Analysis of improvement trends • Evaluation • Tips	Lead Non-Executive Director coordination, with support from Brembo's Legal and Corporate function. Use of questionnaire and, if necessary, individual interviews with councillors.
2024	**Insight into the dynamics of Board and Committee operation**	• Focus on functioning in line with the principles of the DCGC and the new regulations of the Board of Directors and the committees • Evaluation • Tips	Coordination of the Lead Non-Executive Director, with support from Brembo's Legal and Corporate function. Use of questionnaire and, if necessary, individual interviews with councillors.
2025	**End of term review and proposals in view of the new term**	• End-of-term evaluation with the aim of obtaining substantial indications in view of the renewal of corporate offices and thus the composition of the new Board of Directors.	Possibility of using an external consultant, as recommended by the DCGC.

Based on Board performance evaluation/assessment three-year program 2023-2025, as 2024 is the second year of the current Board of Directors' term of office and there have been no changes in the composition of the Board of Directors and its committees, the Non-Executive Directors agree to focus on the following topics:

- progress analysis against the suggestions that emerged last year in Board performance evaluation/assessment 2023 (where possible); and
- functioning of the Board of Directors and its committees, in accordance with the principles set forth in the DCGC and the new regulations adopted by the Company.

The work plan was shared by the Lead Non-Executive Director in the meeting with the independent Directors on 16 October 2024 and then presented to the Board of Directors on 7 November 2024.

The assessment is conducted by the Directors filling in questionnaires. Brembo's Legal and Corporate function deals with the collection and management of feedback confidentially. The assessment considers the replies of the Non-Executive Directors who expressed their views completing the questionnaires.

The assessment includes the evaluation of the Board of Directors and its Committees relating to their performance, working methods, procedures and functioning other than the individual position of each member. The findings were highly positive, indicating that the Not Executive Directors believe the Board functions very well. It was collectively concluded that there is ample opportunity for open and constructive discussions and sessions are managed with an openness to dialogue. The results highlight an excellent functioning also of the Committees and extremely detailed and accurate direct dialogue with the main functions of the company. The outcomes of the assessment of each BoD member position highlight: 1) All Directors meet the requirements of goodstanding, integrity, professionalism and respectability required by current Dutch laws and regulations 2)It is confirmed that the composition of the Board of Directors is already aligned with the gender diversity ratio targets for the Board of Directors approved in the DEI Policy on 30 July 2024, as the Board of Directors is composed of 11 members, 5 of whom belong to the least represented gender (including 1 executive and at least 3 non-executive directors). 3) The following Directors meet the independence requirements of the DCGC (article 2.2.8) and of the Board Rules: Elisabetta Magistretti, Elizabeth Marie Robinson, M. Soffientini, Michela Schizzi, Giancarlo Dallera and Gianfelice Rocca 4) On the basis of the effective and constant participation in Board meetings and in the company's various management activities by individual Directors, the offices held by Directors in other companies are considered compatible i) with the effective performance of the office in Brembo insofar as each Director is able to guarantee the time necessary for its effective and diligent performance, also in consideration of the provisions of the DCGC; and ii) with the limit set forth in Brembo's CCG and the Rules of the Board of Directors, in relation to the maximum number of 4 positions in listed companies, excluding those where the Director also holds significant shareholdings; and iii) with the limit provided by Dutch law in relation to a maximum of five supervisory or non-executive positions (including the non-executive position with the company) in major Dutch companies. 5) No Director - is a shareholder of any company competing with Brembo N.V. (or any other company of the Brembo Group); - engages in any activity in competition with Brembo N.V. (or any other company of the Brembo Group) and is not a director or manager of any company in competition with Brembo N.V. (or any other company of the Brembo Group). 6) It has been confirmed that the Bod composition and size is aligned with the gender diversity ratio and to the Bod Profile stated in te Bod Rules. The mix of expertise is adequate, also in terms of diversity of knowledge and experience (with a prevalence of directors with managerial profiles), age and tenure in office, to the Group's size, positioning, complexity, sector specificities and strategies, prerequisites, among others, fundamental for an effective and competent management of the company. Based on the results of the assessment, the Non-Executive Directors do not deem necessary to propose specific actions on the Board of Director's composition and size. 2025 Outcomes are described in the summary below.

The outcomes have been analysed by Lead Non-Executive Director and then summarized in a specific document made available firstly to the Independent Non-Executive Directors and subsequently shared during the Board of Directors' plenary session held on 30 January 2025.

Summary of the outcomes of the 2024 Board performance evaluation/assessment

General comments on the functioning of the Board of Directors	In continuity with previous years, a high level of overall appreciation continued to be expressed with the operational and organizational functioning of the Board of Directors. It has been underlined the awareness of the Board on macro-trends like DEI and climate change. Outcomes 2025: • more on business issues and macroeconomic scenarios; • comparative analysis of Brembo's competitors and positioning. • The Directors confirmed that the Board of Directors acted in substantial conformity with the DCGC.
General comments on the composition and size of the Board of Directors	The composition and size of the Board of Directors were found to be adequate to the Group's size, position, complexity, specific industry and strategies and aligned to the Board profile.
Areas of excellence	In particular, the following areas of excellence were identified: • active participation and fruitful discussion between Executive and Non-Executive Directors; • open and constructive debate; • excellent listening skills; • professional profiles with diverse and complementary skills (but still related to the Company's industry); • balanced Board of Directors composition; • high standing; • diversity and (professional) diversity of Directors.

4.3.12 CORPORATE GOVERNANCE REPORT 2024

The corporate governance report, provided for under the Dutch decree content board report (*Besluit inhoud bestuursverslag*), can be found on the company's website **Corporate Governance Reports | Brembo - Official Website**.

4.4 RISK MANAGEMENT

4.4.1 RISK MANAGEMENT PROCESS

Risk management is key to protecting the Company's value in a historical period that continues to be marked by great volatility and uncertainty at global level. This is particularly relevant for the automotive sector, which is facing major transformations from different perspectives (technological, geographical, etc.) that create both risks and opportunities.

At Brembo, risk management is strongly embedded in the decision-making and business management processes and is considered instrumental to achieving the Company's long-term objectives. Within its Internal Control and Risk Management System (see section 4.1.3.4 *Internal Control and Risk Management System* for more information about Brembo ICRMS), Brembo has established an Enterprise Risk Management framework that defines processes to be followed by corporate functions to identify, assess, manage and monitor company risks. This framework includes the maintenance of a Risk Register, which is updated at least once a year and encompasses the main risks, including the emerging ones, that the Group may face in the short and medium term, as well as the related mitigating actions ("as is" and "to be"). Risks are also monitored during regular management meetings where the results, opportunities and risks for all business functions and all geographies in which Brembo operates are analysed and where necessary actions are also defined to mitigate new internal or external risks emerged during corporate activities.

Brembo has always pursued a careful approach to Risk Management.

After moving its legal domicile to the Netherlands in 2024, Brembo began developing its Risk Appetite Framework to comply with the Dutch Corporate Governance Code.

The Risk Appetite Framework will be part of the Company's Internal Control and Risk Management System. It will include key concepts such as risk capacity, risk appetite, risk tolerance, and residual risk profile.

Based on the Company's risk model, it will categorize risks into strategic, operational, legal and compliance, and financial families.

The Company will define its risk appetite and risk statement for each risk family. The risk appetite will be rated using a system with four levels: averse, low, medium, and high.

Specific tolerances will be also defined for certain risks.

The Audit, Risk and Sustainability Committee will review the Risk Appetite document, and the Board of Directors will approve it in the first half of 2025.

RISK FINANCING

In order to minimize the volatility and financial impact of possible detrimental events, Brembo transfers the residual risks, when insurable, to the insurance market.

Brembo's changing needs through the years have been largely and specifically reflected in its customized insurance coverages, which have been optimized and upgraded to significantly decrease the Company's exposures. Thanks to international insurance programmes, all Brembo Group companies are currently covered against the following key risks: property all risks and business interruption, general liability, general product liability, product recall, marine and transportation, environmental liability and Directors & Officers liability. Additional coverage has been arranged locally based on the specific requirements of local legislation, collective labour contracts and/or corporate agreements. Insurance analysis and transfer of the risks to which the Group is exposed are conducted in collaboration with a leading insurance broker, which supports this process with its international organization and is also responsible for the compliance and management of Group insurance programmes at global level.

In line with the approach pursued also by other multinationals, in 2023, Brembo set up its own captive reinsurance company — Brembo Reinsurance AG based in Zürich, Switzerland — that reinsures a portion of the risks transferred to the insurance market, such as liability, product recall, property damage, and business interruption. This operation, also driven by the expansion of the Brembo Group's business, stemmed from the strategic need to increase the Group's level of autonomy towards the insurance market trends, characterized in recent years by a hard market phase and the shrinking of the available capacity, as well as from the need to enhance the flexibility of the Group's risk transfer strategy.

4.4.2 RISK FACTORS AND MITIGATION STRATEGIES

The Group is exposed to the consequences of both volatility and changes of external factors (eg. currencies fluctuations) and internal risks associated to business operations and processes. In order to mitigate its business risk exposures the Group implements relevant mitigation strategies aimed at reducing the likelihood occurrence and the potential impact of those risks:

d) strategic risks
e) operational risks
f) legal and compliance risks
g) financial risks

The risks outlined below are not exhaustive. There may be additional risks, currently unknown to Brembo or deemed immaterial, that could evolve into significant factors affecting the Group.
For an in-depth focus on the Sustainability risks, please refer to the Sustainability Statement section of this Annual Report while for more information on Financial risks please refer to IFRS 7 reporting section of this Annual Report.
The order in which the risks are discussed does not imply classification in terms of probability of occurrence or possible impact.

STRATEGIC RISKS

Geopolitical Instability and Macroeconomic Risks

Key topics: geopolitical instability, trade tariffs, supply chain resilience, economic conditions, deterioration of macro indicators

Having an international footprint and business partners worldwide, Brembo is exposed to risks related to geopolitical conditions. This is especially exacerbated in the current context of increasing geopolitical tensions, with a number of political and economic disputes and conflicts both at regional and global level. For nearly all companies, such tensions have or could have a ripple effect on the supply chain resilience, translating into trade tariffs and impacting sales and manufacturing processes

and the value of corporate assets worldwide.
Brembo's exposure to geopolitical risks is "naturally" hedged through geographical diversification both in terms of production/supply chain footprint and sales, that thus allows to balance off the risk at Group level. In addition, thanks to a largely "local for local" approach, handling of raw materials and products is generally limited, thus reducing also the exposure to the risk of supply chain disruption.
Brembo constantly monitors the development of political, financial and security risks associated with the countries in which the political and economic context could prove unstable in the future. In case of escalation, the Crisis Committee is activated to define and implement the most adequate risk management solutions as soon as possible.
Brembo's results are also exposed to the effects of macroeconomic factors (e.g., GDP fluctuations, interest rates level, inflation, energy and commodity prices, global trade trends) that might impact the demand level and Brembo's operational and financial performance.
Brembo's focus on the top-end and premium market and its geographical diversification translate into a lower Group overall exposure to the volatility of those factors.
In order to constantly align its production and sales forecasts and monitor the risks associated with macroeconomic and demand changes, Brembo keeps constant control of its order portfolio, the performance of the automotive market in the various countries in which it operates and the related macroeconomic indicators.

Innovation

Key topics: competitors' innovation, intellectual property protection, success of Brembo's R&D and product development strategy

Brembo is exposed to risks associated with the evolution of technology, namely the risk that more competitive and/or disruptive products, technologies and/or more efficient processes are developed.
In order to maintain its competitive edge, also in the Motorsport sector, Brembo invests sizeable resources in R&D, conducting applied and basic research on both existing and newly applied technologies, such as those associated with digital innovation, in addition to mechatronic. For additional information, reference should be made to the Research and Development section in the Directors' Report on Operations.
Product and process innovations — those currently being used, as well as those that may be used for production in the future — are patented to protect the Group's technological leadership. The Intellectual Property Rights function within the Research and Development GCF is responsible for managing patents and, more generally, all aspects associated with protecting the Group's IPR, in addition to monitoring Brembo's potential infringement of third parties' IPR.

Market Trends

Key topics: structural changes of the automotive industry, growth of new OEMs, crisis of traditional OEMs, protectionism, changes in regulations, electrification

The automotive industry is undergoing a profound and structural transformation mostly driven by the electrification. Such transition is posing several challenges to traditional OEMs as they must concurrently deal with new and more stringent regulations, the success of new competitors, the slowing demand in the EU and the rise of more protectionist stances at political level. This is generating pressures on traditional OEMs on several fronts (loss of market share, industrial overcapacity, labour conflicts) and is translating, for many of them, into weak results and profit warnings, which could be further exacerbated in 2025 by the fines imposed by the EU for not fulfilling the emission limits set by the Corporate Average Fuel Economy (CAFE) regulation.

Brembo targets the top-end and premium segments of the automotive sector and generates most of its sales in Europe, North America and China.
Nevertheless, Brembo remains subject to the risks associated with the transformation that is impacting the automotive industry.
In order to reduce the risk of segment/market saturation in the countries where it operates, the Group has forged ahead with its sales geographical diversification strategy, increasingly and successfully looking for business opportunities with new OEMs, and is gradually broadening its product range by developing new products, solutions and services for its customers, in line with its corporate mission statement.

Climate Change

Key topics: climate change transition, physical risks

Brembo is strongly committed to responding to the challenges posed by climate change, to improving the Group's resilience and to seizing the opportunities arising from the transition to a low-carbon economy.
A key element to achieve this objective is the active management of climate-related risks and opportunities and their impacts. In this context, Brembo has been conducting a Climate Change Risk Assessment (CCRA) in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) for some years. The evaluation, which is updated annually with the support of an external specialized firm, involves a scenario analysis and qualitative and quantitative assessment of the main risks and opportunities with regard to physical risks and transition risks over various time horizons.
Main exposures to physical risks regard: flood risk, limited to certain sites which are already protected with hydraulic barriers; water stress, for which specific mitigation solutions have been implemented (water supply alternatives, storages, etc.); and atmospheric events (for which limited impacts are expected). The main opportunities generated by the climate change transition include the possibility of expanding the Group's segments and value chain thanks to new products (e.g., Sensify) and the appreciation and spread in the market of products with a high environmental performance (e.g., Greenance Discs). Additional possible risks include the spread of alternative mobility solutions, risks in connection to the achievement of the net zero target and the possible implementation of systems of taxation associated with externalities (e.g., "cap-and-trade" systems).
For further details, reference should be made to the *Sustainability Statement* section of this Annual Report.

Investment Projects

Key topics: country risks, natural hazards, damages to assets, interdependencies

Investments in certain countries may be influenced by major modifications of the local regulatory framework, which could result in changes in the economic conditions existing at the time of the investment. Moreover, climate change is reshaping the appeal of industrial production sites — and in the future it will perhaps redefine also their suitability — because of high or increasing exposures to risks such as water scarcity and natural hazards. For this reason, before investing in a country, Brembo assesses the country risks and the site's exposure to natural hazards.

Additionally, risks connected to real-estate developments (delays, damages, liabilities, etc.) are managed through the support of different internal functions and external consultants.
As regards M&A activities, transactions are coordinated by Business Development Global Central Function in order to mitigate the risks through a structured due diligence process. The evaluation of the target risks plays a central role in this process and also covers Environmental, Social and Governance aspects.

OPERATIONAL RISKS

The main operating risks, which are intrinsic in the nature of Brembo's business, are associated with the supply chain, the unavailability of production facilities, product quality, Information Technology, the environment, health and safety, and people and organization.

Supply Chain

Key topics: single sourcing, high dependency on suppliers, supply chain resilience, logistics and transportation, suppliers' quality, suppliers' compliance to sustainability requirements

The main risks associated with the supply chain include dependence on single suppliers, i.e., the event in which supplier disruption may jeopardize Brembo's ability to fulfil clients' orders in a timely manner. In response to this risk, the Purchasing GCF identifies, where possible, alternative suppliers as potential replacements for goods and services deemed strategic, whereas the Quality GCF monitors and ensures the robustness and stability of the supply chain in providing products that meet the requirements of Brembo and its customers.
The supplier monitoring process has been reinforced for the purpose of prevention, particularly as regards suppliers' financial stability, which is expected to be under increasing pressure in 2025 due to the potential effects on suppliers' profitability of the automotive market trends (OEMs' market share redistribution, UE market stagnation), and the availability of production capacity even to face sudden demand fluctuations and/or difficulties linked to logistics and transportation — aspects that have become increasingly important following the pandemic emergency, the conflict in Ukraine and the spread of the effects of the Israeli-Palestinian war to the Red Sea, associated with the redefinition of maritime routes and the concurrent Panama Canal restrictions on transit volumes.
Those preliminary measures are part of the actions put in place to mitigate the risk of disruption/limitation of Brembo's operations due to events related to its supply chain. In particular, besides its broadly "local for local" approach that reduces the handling of raw materials and products, strategies adopted include production replanning/reallocation, changes in the transport channels and constant monitoring of the order backlog, also with a view to properly managing stocks. Brembo considers as highly relevant the sustainability of its supply chain and has defined, in a specific policy, the requirements for its suppliers on topics such as labour and human rights, health and safety, ethics and environment.
Specific assessment and monitoring measures have been implemented to mitigate the risk of supplier's non-compliance with the principles and requirements set out in the above-mentioned policy.

Property Damage and Business Interruption

Key topics: natural hazards, utilities supply discontinuity, damages to assets, production and deliveries disruption, interdependencies

Natural or accidental events (e.g., flood, earthquakes or fires), malicious behaviour (e.g., acts of vandalism) or systems malfunctioning may result in damage to assets, unavailability of production facilities and discontinuity of operation of such facilities.
In order to monitor its exposure to natural hazards, Brembo carries out specific assessments by means of different tools and databases (see also section *Sustainability Statement* in this Annual Report). In addition, Brembo has reinforced its risk mitigation process, through the planning of loss prevention engineering activities. The aim of this process is to reduce risk factors in terms of probability of occurrence and to implement protective measures aimed at limiting the impact of this risk and maintaining the operating continuity levels of the Group's production facilities.
Furthermore, Brembo's expansion of its industrial capacity is also contributing to mitigating its business interruption risk and to strengthening Brembo's resilience in case of a disruptive event involving one of its production plants.

Product Quality

Key topics: safety and quality, recall, product liability, suppliers' quality

As braking systems, together with other vehicle's components and features, plays a fundamental role in ensuring the vehicle's safety, Brembo attaches utmost importance to the risk related to product features, both in terms of safety and quality.
As well known, safety represents a very critical topic within the entire automotive industry, as demonstrated for instance by the number of recall campaigns occurred in the past in this sector. The Group has a consolidated experience and has always been committed to mitigating this risk through robust and efficient product design, product and components traceability, and quality management, both at its own plants and at suppliers'. As part of this process, Brembo has established a worldwide Supplier Quality Assurance function, specifically dedicated to quality control of components, in addition to constantly optimising prevention activities, such as for instance the Failure Mode & Effect Analysis (FMEA).
In addition, the Quality GCF bears global responsibility for properly managing binding requirements and the safety behaviour of products, with particular regard to the risk of recall from the market, for which specific company procedures have been set up in order to properly and timely manage the related risk. Preliminary feasibility analysis involving suppliers are also carried out to enable adequate management of technical risks as soon as from the initial development phases, thereby ensuring product durability.

Information Technology

Key topics: IT systems continuity, data protection, cybersecurity, artificial intelligence

Brembo considers the operating continuity of its IT systems to be a significant priority and it has implemented a framework for managing cyber risks aimed at ensuring business continuity and the availability, integrity and confidentiality of data, while also ensuring compliance with the European GDPR and the national legislation applicable in the countries in which it operates.
These issues are growing in importance also in light of the start of the Group's smart factory (Industry 4.0) process

and the implementation of the strategic pillars associated with the corporate mission.
In 2020, the Group's three Italian companies were certified according to the ISO 27001 international standard, which sets the requirements and defines the methods for proper, secure management of information within the Company. Over the years, certification was extended to Poland, the Czech Republic and North America.
A Security Operations Center (SOC), reporting to the Head of Information Security, was also established to ensure real-time monitoring of cyber events in order to prevent and promptly react to possible cyber attacks.
As part of its Ishango programme, Brembo is implementing or migrating towards new digital systems/solutions. This programme involves the migration of Group companies' ERP (Enterprise Resource Planning), starting with pilot projects. In 2024, the first two pilot projects have been implemented. As part of the project governance framework, the related risks have been evaluated and their mitigation strategies defined.

Artificial Intelligence

Key topics: artificial intelligence, Brembo Solutions, cybersecurity

Brembo continues to develop its own AI solutions, both to improve its processes in terms of efficiency and quality, and to effectively respond to the needs of Brembo Solutions customers. Furthermore, the Group is using licensed AI solutions provided by third parties for internal processes and tasks, including tools to protect itself from cyber attacks. The risks concerning AI use are related with its responsible, safe and efficient use, while failing in the implementation of AI technologies could lead to suboptimal business decisions and jeopardize the Group's competitive ability. The mitigation actions put in place by the Group are based on two main pillars: creating an AI team formed by qualified and skilled developers and data scientists, and properly educating the internal users to the correct, efficient and responsible use of AI tools.
In addition, AI aggravates the risk of fraud as more sophisticated attempts exploiting AI features (deepfakes, social engineering, phishing campaign, etc) could target Brembo, causing financial damage and/or loss of information. Mitigating actions include: double signature for payment execution, bank power of attorney approved by the Board, release of guidelines on AI use, ISO 27001 controls in place, Antispam, Antivirus and IP filtering systems.

Environment, Safety and Health

Key topics: working conditions, workers' health and safety, environmental protection, pollution, pandemics

These types of risks are intrinsic to the nature of corporate industrial operations. The Group manages them by carrying out ongoing and systematic evaluations of its exposure to specific risks and reducing or eliminating those considered unacceptable. This process is organized within a Management System that covers health and safety, as well as environmental aspects, and that is compliant with the international ISO 45001 and ISO 14001 standards, respectively, and certified by an independent body.
In summary, the Group has implemented systematic rules and management procedures that allow it to minimize the number of accidents, as well as the impact they may have. A clear-cut assignment of responsibility at all levels, the presence of independent internal control bodies up to the Company's highest officers, and the application of best practices in terms of international management standards testify to the Group's commitment to health, safety and environmental matters. For more information about Environmental, Health & Safety aspects, reference should be made to the *Sustainability Statement* section of this Annual Report.

Planning and Reporting

Key topics: financial and sustainability reporting consistency and reliability, double-materiality analysis

As a listed company, in addition to applying a precautionary approach in managing compliance matters, Brembo complies with applicable financial reporting standards and regulations.
An ERP software is implemented at nearly all Group companies in order to prepare accurate and reliable financial reporting for the Group, while also improving the Internal Control and Risk Management System and the quality, timeliness and comparability of the data provided by the various consolidated companies. As mentioned in the *Information Technology* section, as part of the Digital Transformation Programme, the Group is expected to be gradually migrated to the new ERP IT programme, according to the project timelines centrally defined at global level. The quality and reliability of the reporting, as well as the security of Brembo's assets, are exposed to the risk of fraud. This is defined as an intentional act perpetrated by internal stakeholders or third parties with the aim of obtaining unlawful advantages and potentially resulting in errors in financial statements and/or misappropriation of the Company's assets. To mitigate such risk, Brembo implements specific measures that include: Financial Compliance guidelines, Code of Ethics, 231 model and local compliance program, Anti-Bribery Code of Conduct, whistleblowing channel, property loss control inspections, CCTV cameras and security guards.
In compliance with applicable sustainability reporting regulations, Brembo manages and monitors the achievement of its internal sustainability targets and its compliance with regulatory requirements. In order to mitigate the risk of non-conformity and/or incorrectness of the reporting, Brembo adopts best practices and avails of specialized external advisors to support the preparation of sustainability reporting.

People and Organization

Key topics: diversity, equity and inclusion (DEI), talent attraction and retention

Brembo is committed to promoting a fair and inclusive environment, and to fostering a culture of respect for diversity and inclusion. Similarly, the Company adopts, maintains and improves systems and processes designed to eliminate slavery and human trafficking from its business. While strongly focused on achieving these goals, the Company is exposed to the risk of delays in the implementation of its strategic plan in these fields and to the risk of partial non-accomplishment of its objectives. Mitigation actions include a clear and committed governance, specific training initiatives aimed at improving awareness, disseminating a solid DEI culture and preventing any form of discrimination, access for the employees to specific programmes of assistance and support, active monitoring through communication channels (e.g. whistleblowing) open to the employees as well as to all stakeholders.
Attracting and retaining qualified personnel with the required background, values, set of skills and motivation is key for the present and future success of Brembo. However, the new trends and challenges in the labour market worldwide may affect Brembo's capability to recruit and retain talents. Additionally, the success of the

Company's strategy is increasingly relying on skills (e.g. data and software) that are particularly sought-after in the market.
Several measures are implemented by the Company to address and mitigate the above-mentioned risks, among others: enhanced recruiting and employer branding strategy, continuous benchmark of the compensation and benefits offered, implementation of talent attracting and retaining strategies, monitoring of employees engagement, training and skill upgrade strategies, strengthened partnerships with universities, schools and R&D centres.

LEGAL AND COMPLIANCE RISKS

Brembo is exposed to risks arising from the failure to rapidly comply with changing laws and new regulations in the sectors and markets in which it operates. To mitigate this risk, each compliance function stays abreast of the relevant legal and regulatory developments, with the assistance of outside consultants, where necessary, through a constant process of legal and regulatory updates and research.

Legal
Key topics: litigation, personal data processing

With reference to contractual matters and litigation, the Legal and Corporate Affairs GCF had defined a structured contractual management process and periodically monitors the progress of existing and potential litigations, determining the strategy to be applied and the most appropriate steps to take in managing them, involving specific corporate functions and major external law firms.
The risk of presence of counterfeited products in the AM (especially in the Far East) is also managed by the Legal and Corporate Affair GCF with the support of other functions by applying multiple approaches and actions (e.g., online and local investigations, QR code, etc.).
In the 2024 cross-border conversion from Italy to The Netherlands, Brembo was assisted by external consultants specialized in the matter, who contributed to assessing all possible non-compliance risks linked to the transaction.

Tax
Key topics: local tax laws and regulations, tax control framework

With reference to the risk of non-compliance with tax laws and regulations, or of operating in conflict with the principles or spirit of the systems in the jurisdictions in which the Group operates, in accordance with the guidelines laid down in the Global Tax Strategy and Brembo N.V.'s Tax Strategy adopted in 2019, Brembo pursues the goal of proactively managing the tax risk by ensuring that such risk is timely recognized, properly measured, monitored and contained through the Tax Control Framework.

Compliance
Key topics: product regulations, value-chain regulations, market abuse regulations, antitrust regulations, corporate governance regulations, code of ethics and code of conduct

The regulatory environment in which international companies like Brembo operate is continuously evolving and becoming more multifaceted. As all other companies, Brembo faces the theoretical risk of breaching national, international and industry regulations (e.g., product regulations, including regulations on chemicals, market abuse, antitrust etc.). As a consequence, the Company may be exposed to fines, legal penalties, and reputational damage.
More specifically, increasing effort is demanded by regulatory requirements on trade compliance (CBAM, EU Deforestation Regulation, dual-use export controls, "Made In" labels, plastic tax, US Custom legislation, sanctions and embargo rules, etc.), alongside other more traditional compliance matters (privacy, market abuse, antitrust regulations, administrative liability, etc.).
The mitigating measures taken by the Group are aimed at ensuring the global spread of a culture of compliance through the establishment of specific principles of ethics and conduct, in addition to identifying compliance functions and processes and constantly monitoring legal changes. The application of the provisions and preventive measures takes also the form of training activities and progressive monitoring conducted by competent bodies within the framework of ordinary regulatory activities.
For example, in the area of personal data processing, the Group is supported by a Data Protection Officer and other dedicated functions, such as the Privacy Supervisory Board and the Privacy Reference Persons identified in sensitive company areas, in order to guarantee compliance to applicable data protection laws and regulations (e.g., GDPR in Europe).

FINANCIAL RISKS

In conducting its business, the Brembo Group is exposed to various financial risks, including interest rate, exchange rate, liquidity and credit risks. Financial risk management is the responsibility of the Corporate Treasury & Credit area, which, together with the Group's Finance Department and the Purchasing function, evaluates the main financial transactions and related hedging policies. The various risk management strategies adopted by the Group are illustrated in greater detail here below.

Interest Rate and Exchange Rate Risks
Key topics: interest rates, exchange rates

Since its financial debt is partly subject to variable interest rates, Brembo is exposed to the risk of interest-rate fluctuations. To reduce this risk, the Group has entered into several medium/long-term fixed-rate loan agreements, as well as specific hedging contracts (IRS), which account — including lease liabilities — for approximately 46% of gross financial position.
The objective is to eliminate the variability of the borrowing costs associated with a portion of debt and benefit from sustainable fixed rates. The Group's Corporate Treasury & Credit area constantly monitors rate trends in order to evaluate in advance the need for any changes to the financial indebtedness structure.
Brembo operates in international markets and it is therefore exposed to exchange rate risks. To mitigate this risk, the Group relies on natural hedging (offsetting receivables and payables) and only hedges net positions in foreign currency, using mostly, and where advisable, forward contracts in order to reduce exchange rate risk exposure.

Commodity Risk
Key topics: raw materials and commodities prices, energy price

Through a dedicated task force, the Brembo Group closely analyses and monitors the course of the risk associated with fluctuations in the prices of raw materials and commodities. In particular, the Group undertakes specific financial transactions to hedge against the risk of energy price fluctuation and a financial hedge aimed at mitigating aluminium price fluctuation.

Moreover, fixed prices are set in supply contracts with certain commodities suppliers for a given period of time and the contracts in place with the main customers also provide for automatic periodic indexing on the basis of commodities prices. Both these approaches mitigate the risk of fluctuations in commodities prices.

Liquidity Risk

Key topics: financial resource availability, cash management, debt management

Liquidity risk can arise from Brembo's inability to obtain the financial resources necessary to guarantee its operation. The Corporate Treasury & Credit area implements the main measures indicated below in order to minimize such risk:

- it constantly assesses estimated financial requirements to ensure that appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
- it obtains adequate credit lines;
- it optimizes liquidity, where feasible, through cash-pooling arrangements;
- it ensures that the composition of net financial debt is adequate for the investments carried out;
- it ensures a proper balance between short- and medium-/long-term debt.

Credit Risk

Key topics: credit management, customer financial rating, changes in the customer base

Credit risk is the risk that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk arises, in particular, in relation to trade receivables. Brembo has traditionally entered into commercial dealings primarily with leading car and motorbike makers. More recently, however, with a view to expanding its customer-base and implementing its geographical diversification strategy, the Group has also started to establish important business relations with new OEMs. This strategic move, coupled with the tensions in the automotive industry discussed in the *Strategic Risks — Market Trends* section, has contributed to further increasing the Company's attention to this risk. Mitigation actions focus on credit monitoring, so that situations where there is a risk of insolvency or late payment with respect to contractual terms can be anticipated, and, where possible, on active management of the customer relationship in case of distress.

4.5 REMUNERATION REPORT

4.5.1 LETTER FROM THE CHAIRMAN

Dear Shareholders,

As the chairman of the Remuneration and Appointment Committee, I am pleased to present the 2024 remuneration report approved by the Board of Directors on 18 March 2025. This document has been prepared in compliance with the regulatory provisions in force in the Netherlands.

The year 2024 was marked by a challenging global context. The geopolitical and macroeconomic environment presented complexities that required adaptability and resilience. Brembo continued to address these challenges with a forward-looking approach, focused on agility and innovation in a changing landscape by investing in strengthening its global industrial presence. In 2024, Brembo reported positive financial results that confirmed the Group's sales were stable compared to 2023. These positive results reinforce our conviction that the Remuneration Policy is developed in line with the Company's strategic objectives and is an important means to guarantee the Group's sustainable, long-term growth. Specifically, the attainment of the economic-financial and sustainability objectives related to the incentive systems, both short- and long-term, led to the achievement of results in excess of the expected performance.

Despite external complexities, Brembo has reported outstanding financial results, highlighting the Group's robust foundations and its capacity to increase value for its stakeholders. These outcomes were driven by the relentless focus on product innovation, operational excellence, and the passion and dedication of Brembo's people.

By consistently investing in research and development, Brembo maintains a proactive approach, to anticipate the challenges of the global market. Brembo notably stands out in the market by advancing its product range and incorporating state-of-the-art mechatronic and software solutions. This commitment to innovation ensures that Brembo remain competitive and capable of meeting the evolving needs of its customers in a dynamic marketplace.

The Company is well-positioned to pursue its strategic objectives and further consolidates its leadership within the industry. Throughout 2024, Brembo strengthened its commitment to stakeholder engagement, which forms a cornerstone of its strategy. The Company actively sought feedback from its shareholders, proxy advisors, and institutional investors through regular meetings. This constructive dialogue enabled Brembo to refine its practices and policies by ensuring alignment with stakeholder expectations and promoting transparency and responsibility.

Brembo continued to prioritize its ambitious investments and initiatives aimed at innovation and sustainability. These efforts include an ongoing focus on enhancing its technological capabilities, with significant developments in artificial intelligence, connectivity, and advanced braking solutions. Such developments are in line with the group's vision of "Turning energy into inspiration". These endeavours further reinforce Brembo's role as a solution provider, combining its traditional products with high-value-added services.

I would like to express my sincere gratitude to the members of the Remuneration and Appointment Committee, Ms. Elizabeth M. Robinson and Ms. Manuela Soffientini, for their invaluable contributions to the committee's activities.

In conclusion, I extend my appreciation for your continued interest and trust in Brembo. I hope this Report provides you with comprehensive and useful information, and I look forward to your positive support during the general meeting.

Best regards,

Giancarlo Dallera
Chairman of the Remuneration and Appointment Committee

4.5.2 INTRODUCTION

This remuneration report of Brembo N.V. ("Brembo" or the "Company") provides a comprehensive overview of the remuneration paid and owed to the individual members of the Board of Directors, the Executive and Non-Executive Directors, in the financial year 2024, in accordance with both the Dutch Civil Code and the Dutch Corporate Governance Code (the "DCGC"). The Remuneration and Appointment Committee, consisting solely of independent Non-Executive Directors in accordance with the DCGC, is responsible for overseeing this remuneration and recommending any necessary adjustments.

Through this document, Brembo aims to enhance transparency and disclosure for its stakeholders, thereby fostering trust and enabling shareholders to exercise their rights with informed understanding. The remuneration report is divided into two main sections:

- **Summary of the 2024 Remuneration Policy** which governs the compensation for both Executive and Non-Executive Directors (available on our corporate website). In 2024, Brembo confirmed the remuneration features with a positive vote from shareholders during the shareholders' meeting held on 23 April 2024.
- **Implementation of the 2024 Remuneration Policy** which details how the remuneration features were implemented during financial year 2024, including the actual remuneration received by each Executive and Non-Executive Director. Notably, there were no deviations from the 2024 Remuneration Policy.

The main goal of Brembo's Remuneration Policy is to develop a system which consistently supports the business strategy and value creation for all stakeholders. It establishes a compensation structure that allows Brembo to attract and retain the most highly qualified executive talents. It also motivates such executives to achieve business and financial goals, creating long-term value in a manner consistent with its core business and leadership values and taking into account the social context around the Company.

4.5.3 SUMMARY OF THE 2024 REMUNERATION POLICY

While formulating the Remuneration Policy, the Remuneration and Appointment Committee considered the following specific principles that characterize Brembo's remuneration report:

- **The working conditions of Group employees:** the Remuneration Policy aims to enhance the organizational model adopted by the Group, designed to successfully address future challenges arising from the international landscape and the market.
- **The contribution to corporate strategy:** the Remuneration Policy has been defined in line with the Group's long-term strategy and objectives, ensuring its connection to corporate performance to pursue the Group's long-term interests.
- **Best market practices:** the Remuneration Policy has been evaluated considering the remuneration practices of Italian and European peer companies operating in sectors comparable to that of Brembo in terms of value creation.
- **The evaluations expressed by shareholders:** the actions implemented within the policy, such as maintaining the same level of disclosure as in the previous year, are in line with the feedback gathered from the Group's key shareholders.
- **Sustainability**: the Remuneration Policy reflects the Group's culture and sustainability values, and it has been designed in harmony with the initiatives and projects outlined in the Sustainability Plan for both the short and long term.

In particular, the implementation of the 2024 Remuneration Policy has been consistent with the Company's long-term strategy, both in terms of the company's growth and sustainability goals:

- **Brembo's sustainable growth**: compensation elements have been defined in order to support the achievement of the Group's strategic pillars through an appropriate balance of performance metrics of short and long term. The Company in fact, also through the 2024 Remuneration Policy, has been able to achieve excellent economic-financial results, despite a complex global macroeconomic scenario.
- **Creating value for our shareholders**: the 2024 Remuneration Policy has been effective in ensuring that management's interests were aligned with the primary goal of creating sustainable shareholder value over the medium to long term. More specifically, the LTIP 2022-2024 focused on long-term value creation for shareholders through the Economic Value Added (EVA) metric.
- **Enhancing the guiding principles that characterize the Group**: Brembo gives special attention to the development of global policies on ethics, responsibility and sustainability, characterizing a socially responsible company. In this sense, Brembo's sustainability strategy in the medium-long term is enhanced by the 2024 Remuneration Policy through the use of ESG metrics in the short and long-term incentive plans, linked also to the Group sustainability index (Group carbon footprint), attesting the Company's commitment to all its stakeholders.

4.5.3.1 STAKEHOLDER ENGAGEMENT

The Remuneration and Appointment Committee paid particular attention to the evidence that emerged from the analysis and insights regarding the voting results at shareholders' meetings and the feedback received from shareholders, as well as from recommendations received from proxy advisors.

Accordingly, great importance is attached to continuous interaction with all corporate stakeholders, to corporate initiatives for potential development, and to realize a constant improvement in adopting market best practices.

In this respect, the shareholders' meeting held on 23 April 2024, approved the 2024 Remuneration Policy.

The following table details the voting results, showing the trend over the last five years:

Shareholders' meeting	23.04.2020	22.04.2021	21.04.2022	20.04.2023	23.04.2024
In favour	76.974849%	81.019343%	86.575108%	83.005503%	83.933518%
Abstaining/Not voting	1.147419%	0.77865%	0%	2.269132%	0.086386%
Against	21.877773%	18.202007%	13.424892%	14.725365%	15.980095%

4.5.3.2 EXECUTIVE DIRECTORS' COMPENSATION

In 2024 the Board of Directors determined the compensation for the Executive Directors following the recommendation of the Remuneration and Appointment Committee and in accordance with Remuneration Policy. The compensation structure for Executive Directors includes a fixed component, and a variable component based on short and long-term performance.

It is emphasized that Brembo does not have in place or recognize plans based on financial instruments (shares or stock options) either for Executive Directors or for its employees in general.

A summary of the 2024 Remuneration Policy is given in following table:

Elements of remuneration	Scope and conditions	Criteria and parameters	Quantitative references for Executive Directors
Fixed remuneration	Developing the responsibility, expertise and contribution required by the role	Fixed remuneration is set on the basis of the powers granted and role assigned, considering applicable cases on the market for comparable roles and the impact on Company results	• Executive Chairman: €1,300,000 • Chief Executive Officer (CEO): €1,300,000[21] • Chief Legacy Officer[22]: €256,678[23] • Chief Public Affairs and Institutional Relations Officer: €350,000[24]
Short-term incentive plan ("STIP")[25]	Assessing and engaging the achievement of the Group's annual objectives and short-term challenges	Evaluation metrics: • Group EBITDA • Group EBIT • Group ROI • Group Net Sales • Group sustainability index Performance period: annual, in compliance with the budget objectives Payment method: cash Clawback clauses may be applied	Bonus target: • Executive Chairman: 75% of fixed remuneration • CEO: 75% of fixed remuneration • Chief Legacy Officer: 40% of fixed remuneration • Chief Public Affairs and Institutional Relations Officer: 40% of fixed remuneration Bonus cap: • Executive Chairman: 100% of fixed remuneration • CEO: 100% of fixed remuneration • Chief Legacy Officer: 60% of fixed remuneration • Chief Public Affairs and Institutional Relations Officer: 60% of fixed remuneration
Long-term incentive plan ("LTIP")[25]	Promoting the creation of value for shareholders and the Group's sustainability in the long term	Evaluation metrics: • Group Economic Value Added (EVA) • Group Free Operating Cash Flow • Group Net Financial Position/EBITDA • Group sustainability index Vesting period: three-year period 2022-2024 (closed plan) Payment method: cash Clawback clauses may be applied	Annual bonus entry point and target: • Executive Chairman: 100% of fixed remuneration • CEO: 100% of fixed remuneration • Chief Legacy Officer: 33,33% of fixed remuneration • Chief Public Affairs and Institutional Relations Officer: 50% of fixed remuneration Annual bonus cap: • Executive Chairman: 150% of fixed remuneration • CEO: 150% of fixed remuneration • Chief Legacy Officer: 50% of fixed remuneration • Chief Public Affairs and Institutional Relations Officer: 75% of fixed remuneration
Fringe benefits	Complementing economic benefits with components primarily of a social security and pension nature	Primarily social security and insurance benefits, in line with the standards established by the Italian Collective Agreement (for industrial executives)	Supplementary pension schemes Health insurance Insurance policy Allocation of a car for business and personal use
Severance indemnity	Protecting the Group against potential litigation and/or competition risks	Severance indemnity from the position of CEO and termination of employment in the event of: • removal or non-renewal without just cause • resignation from the office and waiver of the delegated powers due to such a serious reason as to make a continuation impossible • resignation from the office and waiver of the delegated powers due to a change of control that has resulted in a substantial change in the position and/or powers Consideration for non-competition agreement with the CEO: paid during employment with the Company With regard to Executive Directors, the provisions of the Italian Collective Agreement for industrial executives apply	CEO's severance indemnity: a lump-sum one-off indemnity equal to 18 months of an amount corresponding to the sum of the fixed emolument for the office, the non-competition agreement payment and the maximum amount payable by way of short-term variable component, which may not be less than €3,600,000 in any case CEO's non-competition agreement: the amount of €200,000 is included in the total fixed remuneration (Total Fixed Remuneration: €1,300,000)
Pension	Providing pension coverage	CEO's pension: individual supplementary pension scheme With regard to Executive Directors, the provisions of the Italian Collective Agreement for industrial executives apply	CEO's pension: total annual gross amount corresponding to 22.70% of fixed remuneration borne by the Company

21 The fixed compensation assigned to the CEO consists of special compensation of €1,100,000 for the position pursuant to Article 2389, paragraph 3, of the Italian Civil Code, and the consideration paid during his employment for the non-competition agreement of €200,000. This compensation is also in addition to an annual housing allowance of €100,000 and an annual strategic yearly bonus of €500,000 for retention purposes.
22 Role effective since 2 January 2025, formerly Chief Sustainability Officer.
23 Amount inclusive of an emolument of €60,000 and a compensation of €15,000 for responsibility for the Internal Control and Risk Management System.
24 Amount inclusive of an emolument of €60,000.
25 For the Chief Legacy Officer and the Chief Public Affairs and Institutional Relations Officer, the incentive percentages for both the STIP and LTIP relate to the gross annual remuneration only.

4.5.3.3 PEER GROUP

Brembo also establishes its policies and verifies its remuneration structure based on the analyses conducted with the support of consultants on market benchmarks. One of the benchmarks consists of a group of companies operating in the same industry that are comparable in terms of size, business activity and governance. In addition, Brembo monitors trends and best practices in both the Italian and global markets.

The analysis with selected comparison markets occurs on a regular basis and involves: the review of Executive Directors' compensation packages, the structure of incentive plans, and the balance of compensation components recognized to Executive Directors.

Given that Brembo does not have many closely comparable peer companies, various European companies, which are comparable to Brembo as they operate in the same industry, have been considered to gain insights into both the labour market and business practices:

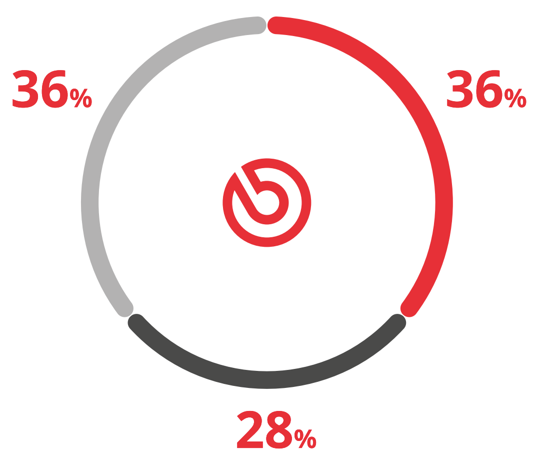
Benchmark companies	Companies
Comparable European companies (11 companies)	Autoneum Holding, Autoliv, Continental, ElringKlinger, Forvia, Michelin, Nokian, SKF, Sogefi, TomTom, Valeo
Italian companies (23 companies)	A2A, Amplifon, Campari, Diasorin, Enel, Eni, Ferrari, Hera, Interpump Group, Inwit, Italgas, Leonardo, Maire Tecnimont, Moncler, Nexi, Pirelli, Prysmian, Recordati, Saipem, Snam, TIM, Tenaris, Terna

4.5.3.4 EXECUTIVE DIRECTORS' PAY-MIX

The composition of the remuneration packages of the Executive Directors does not present any variation from the previous year. Executive Directors' pay-mix is based on the achievement of performance objectives, as indicated below:

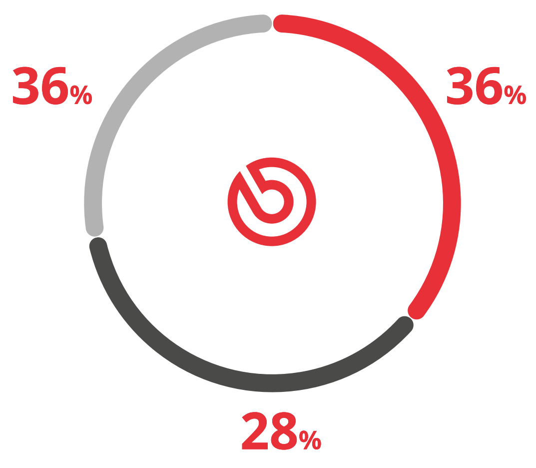
PAY-MIX TARGET

Executive Chairman



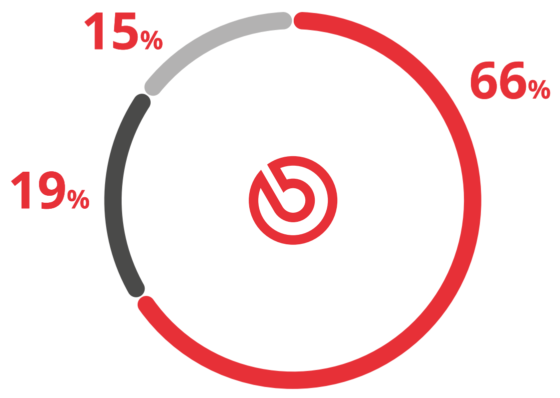
- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

CEO



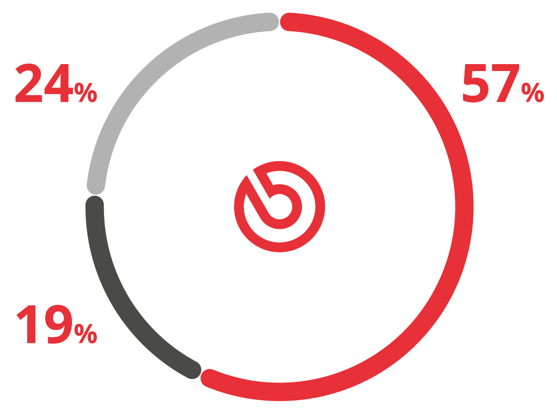
- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

Chief Legacy Officer



- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

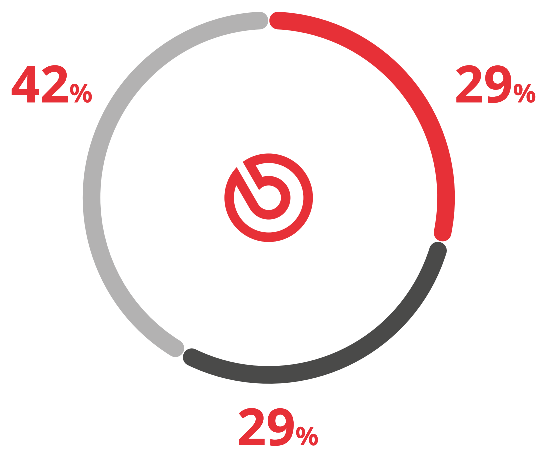
Chief Public Affairs and Institutional Relations Officer



- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

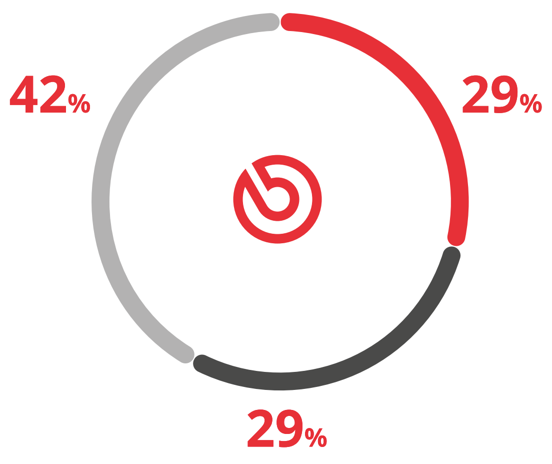
PAY-MIX MAXIMUM

Executive Chairman



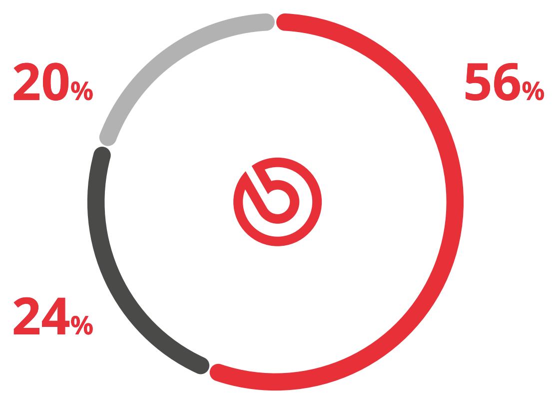
- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

CEO



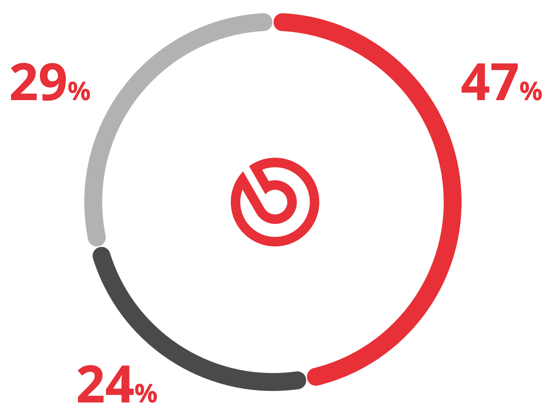
- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

Chief Legacy Officer



- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

Chief Public Affairs and Institutional Relations Officer



- Fixed remuneration
- Short-term variable component (MBO)
- Long-term variable component

The Board of Directors is tasked with assessing the performance levels used in the variable remuneration plans, as per the Remuneration and Appointment Committee's proposals. The Remuneration and Appointment Committee:

- periodically assesses the adequacy, overall consistency and actual application of the Remuneration Policy adopted for Executive Directors;
- monitors the implementation of the decisions taken by the Board, verifying especially the actual achievement of performance objectives and evaluating the proposed assignment and quantification of variable incentive remuneration.

The remuneration packages for the C-Suite follow the same rationale and philosophy applied to build the remuneration packages for Executive Directors. They include a fixed component, a short-term incentive plan (STIP), a long-term incentive plan (LTIP) depending on the position held, and a benefits package according to the Italian Collective Agreement and Company practices.

4.5.3.5 FIXED REMUNERATION

The fixed remuneration aims to attract and retain highly qualified Executive Directors. To support this fixed remuneration, regular benchmarking is conducted against compensation packages of executives with comparable experience in similar companies, ensuring that our offerings remain competitive and aligned with industry standards.

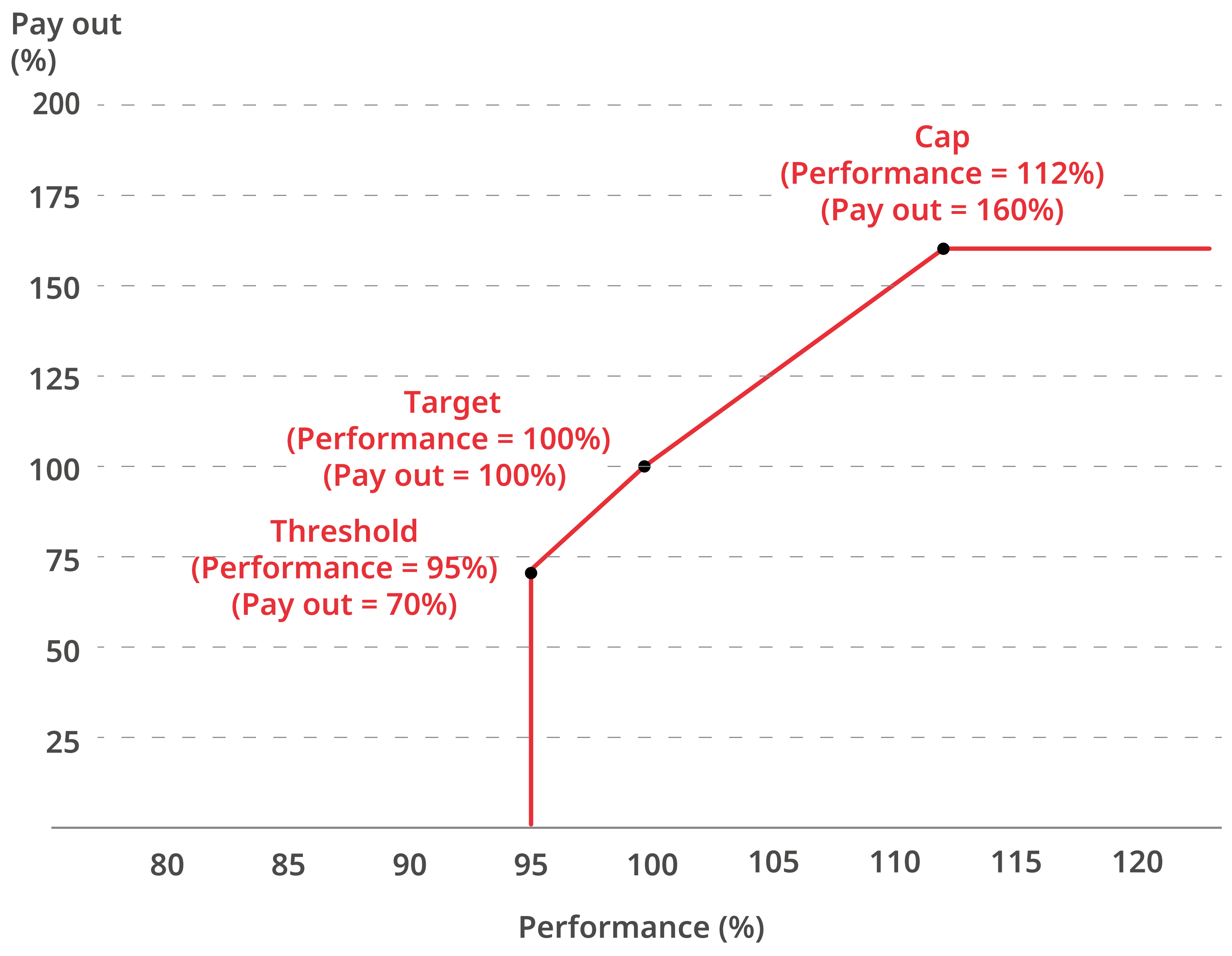
4.5.3.6 SHORT-TERM INCENTIVE PLAN ("STIP")

The 2024 STIP includes an entry gate based on Group's EBITDA in absolute terms. This performance condition operates with an on/off threshold mechanism, meaning that the final pay-out to beneficiaries occurs only if the Group's operating and financial performance meets the established targets. If the entry gate is not reached, the plan will not be activated, resulting in the non-payment of monetary incentives, regardless of whether the objectives within each STIP form are reached.

The following table shows the objectives of the 2024 STIP form of Brembo's Executive Directors:

2024 Stip - Executive Directors	Weight
Group EBITDA abs. value	30%
Group EBIT %	20%
Group ROI %	25%
Group net sales	15%
Group sustainability index	10%

The Group has established a maximum limit of 160% for the bonus payable for each objective. The actual amount of the incentive paid depends on the degree of achievement of the targets assigned to the individual objectives. The overall final cap for each STIP form is set at 150%. The pay-out cap differs only for the Executive Chairman and the CEO since, for both, achieving the maximum performance levels results in a pay-out that cannot exceed 133.33% of the target.



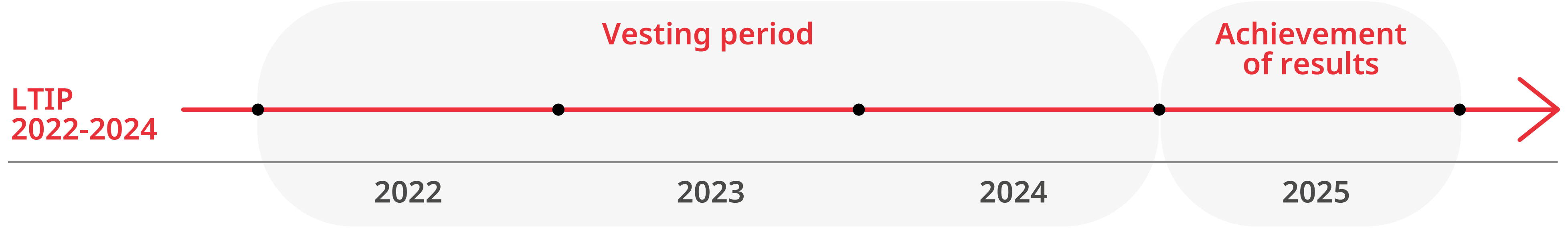
4.5.3.7 LONG-TERM INCENTIVE PLAN ("LTIP")

This is a pure monetary plan that allows participants to accrue a long-term incentive if the LTIP objectives are met.

The reward component of the pay-out curve is offset by the fact that for values below the entry point (corresponding to performance in line with the reference targets), no payment proportional to the performance objective shall be paid.

If objectives are not reached for one, two or three of the four performance objectives, beneficiaries are still entitled to payment of the bonus in proportion to the objective(s) actually achieved.

The LTIP costs per each target are included in the three-year business plan objectives so that the LTIP is "self-financed" by the attainment of the objectives themselves.



Achieving the incentive is tied to 4 Group key performance indicators:

- Group Economic Value Added (EVA), used to measure the growth in value during the 2022-2024 three-year period;
- Group Free Operating Cash Flow, as compared to the 2022-2024 three-year period target;
- the ratio between Group Net Financial Position and Group EBITDA (NFP/EBITDA), compared to the target set for the individual years 2022, 2023 and 2024;
- Group sustainability index[26] (Group carbon footprint) at the end of the three-year period.

The LTIP objectives are designed to reward the Group's financial and capital solidity, in line with the business plan and the results achieved over recent years in terms of stronger financial performance and productivity recovery.

In 2024, therefore, Brembo's LTIP has completed its vesting period. The final results of the objectives associated with the LTIP are reported in this remuneration report, on the basis of the performances achieved by the beneficiaries. The bonuses accrued will be paid following the general meeting to be held on 29 April 2025.

The long-term incentive is paid, based on the Group's consolidated results, in a single payment at the end of the LTIP.

4.5.3.8 CLAWBACK/MALUS

Since the cross-border conversion, effective on 24 April 2024, the clawback provisions set forth by Article 2:135, paragraph 8, of the Dutch Civil Code are applicable to the STIP and LTIP. In particular, the clause allows the Company to request the refund of part or all of the variable components of remuneration (or to withhold deferred components), the award of which was determined on the basis of data or information concerning the achievement of objectives or the circumstances upon which the variable remuneration was based that subsequently proves manifestly incorrect or determined in the presence of fraudulent behaviour or gross negligence on the part of the beneficiaries.

During 2024, Brembo applied neither the clawback clause nor the malus clause.

4.5.3.9 TERMS OF AGREEMENT AND NON-COMPETITION AGREEMENTS

The contract currently in effect for the CEO, Mr. Schillaci, with the Brembo Group, includes specific termination provisions. In the event of termination without just cause, resignation due to serious circumstances, or resignation following a change of control, the CEO is entitled to a lump-sum indemnity equivalent to 18 months' salary, which includes fixed remuneration, non-compete agreement compensation, and the maximum short-term variable component (STIP). The total amount of the one-off indemnity allocated in the event that one of the aforementioned circumstances occurs may not in any case be less than €3,600,000 gross.

For other directors and executives with strategic responsibilities, the Brembo Group does not have agreements for termination benefits, except for legal obligations and those outlined in the applicable Italian Collective Agreement.

During 2024, the Company did not pay any severance-related compensation to any of the Executive Directors.

For more information, please refer to the Brembo's Remuneration Policy.

4.5.3.10 PENSION

Only the CEO is entitled to an individual supplementary pension scheme. For all other Executive Directors, who are employees, the provisions of the Italian Collective Agreement of reference apply.

26 Formula of the Group sustainability index (CDP: Group carbon footprint):

$$\frac{\text{Total amount of } CO_2 \text{ emissions saved in the three years thanks to improvement actions (tonnes } CO_2e) \times 100}{\text{Base year's Scope 1 and 2 } CO_2 \text{ emissions (tonnes } CO_2e)}$$

Base year: for the three-year period, it corresponds to 2021.

4.5.3.11 REMUNERATION FOR NON-EXECUTIVE DIRECTORS

The Non-Executive Directors' remuneration was set by the Board of Directors on 20 April 2023 after the shareholders' meeting approved the Board's total remuneration on the same day. Moreover, on 5 March 2024 the Board of Directors resolved to grant a remuneration to Lead Non-Executive Director and to increase the remuneration of the chairwoman of the Audit, Risk and Sustainability Committee, as described in Remuneration Policy.

This remuneration is fixed and does not depend on the Company's financial performance. Non-Executive Directors are not eligible for variable compensation and do not participate in any incentive plans. The current annual remuneration for Non-Executive Directors is detailed in the table below:

Non-Executive Directors' Compensation	Euro
Annual cash fee	60,000
Additional fee for Audit, Risk and Sustainability Committee member	25,000
Additional fee for Audit, Risk and Sustainability Committee Chair	50,000
Additional fee for Remuneration and Appointment Committee member	15,000
Additional fee for Remuneration and Appointment Committee Chair	20,000
Additional fee for the Lead Non-Executive Director	30,000
Additional fee for Supervisory Committee member	10,000

4.5.4 IMPLEMENTATION OF THE 2024 REMUNERATION POLICY

4.5.4.1 INTRODUCTION

This section sets out the implementation of Brembo's Remuneration Policy for the year ended 31 December 2024. The remuneration granted in the year ended 31 December 2024 is in accordance with the substance and the procedures of the remuneration strategy (as set out above) and therefore Brembo believes it allows it to seek to attract and retain the most highly qualified executive talent and motivate such executives to achieve business and financial goals that create long-term value for shareholders in a manner consistent with Brembo's core business and leadership values and taking into account its social context around the Company.

4.5.4.2 STIP 2024

The STIP for the 2024 performance year shall be paid in 2025. During a meeting held on 18 March 2025 the Board of Directors, based on the results for the 2024 financial year and on the proposal from the Remuneration and Appointment Committee, determined an overall performance scores at 140.94%. This evaluation is based on the achievement of the following key indicators: Group EBITDA (absolute value), Group EBIT %, Group ROI %, Group Net Sales, and Group sustainability index as illustrated beside:

KPIs	Target value	Final value	Weight (%)	Level of achievement (%)
Group EBITDA (€ thousand)[27]	579,776.00	612,283.00	30	38.41
Group EBIT %[28]	8.40	9.79	20	32.00
Group ROI %[29]	12.34	14.76	25	40.00
Group Net Sales (€ thousand)[30]	3,852,224.00	3,831,942.00	15	14.53
Group sustainability index[31]	20.00	25.2	10	16.00
Total			**100**	**140.94%**

According to the 2024 Remuneration Policy the amount to be paid out in 2025 to the Executive Chairman and the CEO is capped at 133.33% of the target value.

The score application resulted in the following pay-outs:

- for the Executive Chairman, a bonus of €1,300,000, equal to 100% of the annual fixed remuneration, taking into account the assigned target (100%) and maximum (133.33%) incentive levels.
- for the CEO, a bonus of €1,300,000, equal to 100% of the annual fixed remuneration, taking into account the assigned target (100%) and maximum (133.33%) incentive levels.
- for the Chief Legacy Officer, a bonus of € 102,423, equal to 56% of the gross annual remuneration, taking into account the assigned target (100%) and maximum (140.94%) incentive levels.
- for the Chief Public Affairs and Institutional Relations Officer, a bonus of € 163,490, equal to 56% of the gross annual remuneration, taking into account the assigned target (100%) and maximum (140.94%) incentive levels.

27 The Group EBITDA final value reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report".

28 The Group EBIT final value calculated on the Group Total Sales reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report". The reconciliation between Net Operating income (Consolidated Statement of Income) and Operating Income is given in the specific table included in the aforementioned section of the Annual Financial Report 2024.

29 The Group ROI final value, calculated as Operating Result / Net Invested Operating Capital, reported in the table come from the segment reporting (IFRS 8) presented in the Annual Financial Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report".

30 The Group Net Sales final value reported in the table come from the segment reporting (IFRS 8) presented in the Annual Financial Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report".

31 Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group.

4.5.4.3 LTIP 2022-2024

In 2025, the incentive related to the LTIP for the performance period 2022-2024 will also be paid out. During a meeting held on 18 March 2025, the Board of Directors, based on the results for the 2024 financial year and on a proposal from the Remuneration and Appointment Committee, determined a performance score for Executive Directors at 150% on the measurement scale used, which is the maximum level on that scale, despite exceeding the maximum performance levels set by the LTIP, as detailed in the table beside:

The application of the performance score has resulted in the following:

- for the Executive Chairman a bonus of € 5,775,000 will be awarded, taking into account the target (100%) and maximum (150%) incentive levels assigned on an annual basis;
- for the CEO, a bonus of € 5,850,000 will be awarded, taking into account the target (100%) and maximum (150%) incentive levels assigned on an annual basis;
- for the Chief Legacy Officer, a bonus of € 257,902 will be awarded, taking into account the target (100%) and maximum (150%) incentive levels assigned on an annual basis;
- for the Chief Public Affairs and Institutional Relations Officer, a bonus of € 619,616 will be awarded, taking into account the target (100%) and maximum (150%) incentive levels assigned on an annual basis.

The LTIP 2022-2024 includes a single grant and one-time payout. The figures above show the total LTIP bonus for the three-year period, which will be paid in 2025 after adoption of the 2024 financial statements by the general meeting.

LTIP 2022-2024 - EXECUTIVE CHAIRMAN AND CEO

KPIs	Target value	Final value	Weight (%)	Level of achievement (%)
Group Economic Value Added (EVA)[32] (€ thousand)	210,900	425,700	25	37.5
Group Free Operating Cash Flow[33] (€ thousand)	103,900	388,300	25	37.5
Group Net Financial Position/Group EBITDA 2022[34]	1.33	0.81	10	15
Group Net Financial Position/Group EBITDA 2023	1.41	0.67	10	15
Group Net Financial Position/Group EBITDA 2024	1.30	0.90	10	15
Group sustainability index (Group carbon footprint)[35]	30	87.7	20	30
Total			**100%**	**150%**

LTIP 2022-2024 - CHIEF LEGACY OFFICER AND CHIEF PUBLIC AFFAIRS AND INSTITUTIONAL RELATIONS OFFICER

KPIs	Target value	Final value	Weight (%)	Level of achievement (%)
Group Economic Value Added (EVA) (€ thousand)	210,900	425,700	15	22.5
Group Free Operating Cash Flow (€ thousand)	103,900	388,300	35	52.5
Group Net Financial Position/Group EBITDA 2022	1.33	0.81	10	15
Group Net Financial Position/Group EBITDA 2023	1.41	0.67	10	15
Group Net Financial Position/Group EBITDA 2024	1.30	0.90	10	15
Group sustainability index (Group carbon footprint)[35]	30	87.7	20	30
Total			**100%**	**150%**

32 The Group EVA final value for the three years reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report" and in those of the previous two years.
33 The Group FOCF final value for the three years reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report" and in those of the previous two years.
34 The Group NFP/Group EBITDA final ratio for the three years reported in the table come from the segment reporting (IFRS 8) presented in the Annual Report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report" and in those of the previous two years.
35 Data used for calculation purposes include within the reporting boundary also Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A.), a joint venture between Brembo and SGL Group

4.5.4.4 DIRECTORS' COMPENSATION

The following table summarizes the remuneration received by the members of the Board of Directors for the year ended 31 December, 2024 from Brembo N.V., in line with the total remuneration determined by the shareholders' meeting on 23 April 2024, and with the allocation defined by the Board of Directors. It is noted that none of the Executive Directors received additional compensation from subsidiaries of Brembo N.V. Furthermore, none of the Directors were granted personal loans or advanced payments.

Name	Office held	Fixed remuneration (€) Annual fee	Fixed remuneration (€) Fringe benefits	STIP (€)	Extraordinary items (€)	Pension benefits[36] (€)	LTIP[37] (€)	Total remuneration (€)
Matteo Tiraboschi	Executive Chairman	1,300,000.00	21,703.26	1,300,000.00		43,842.79 [38]	1,950,000.00	4,615,546.05
Daniele Schillaci	CEO	1,300,000.00	8,383.57	1,300,000.00	600,000.00[39]	289,935.47	1,950,000.00	5,448,319.04
Cristina Bombassei	Executive Director	256,678.12	2,063.27	102,422.86		13,356.41[40]	90,839.00	465,359.66
Roberto Vavassori	Executive Director	350,000.10	5,692.69	163,490.46		15,760.57[41]	217,500.00	752,443.82
Total	**Executive directors**	**3,206,678.22**	**37,842.79**	**2,865,913.32**	**600,000.00**	**362,895.24**	**4,208,339.00**	**11,281,668.57**
Giancarlo Dallera	Non-Executive Director	80,000.00	-	-	-	-	-	80,000.00
Michela Schizzi	Non-Executive Director	85,000.00	-	-	-	-	-	85,000.00
Umberto Nicodano	Non-Executive Director	60,000.00	-	-	-	-	-	60,000.00
Elizabeth Marie Robinson	Non-Executive Director	75,000.00	-	-	-	-	-	75,000.00
Gianfelice Rocca	Non-Executive Director	60,000.00	-	-	-	-	-	60,000.00
Elisabetta Magistretti	Non-Executive Director	120,000.00	-	-	-	-	-	120,000.00
Manuela Soffientini	Lead Non-Executive Director	130,000.00	-	-	-	-	-	130,000.00
Total	**Non-Executive Directors**	**610,000.00**	**-**	**-**	**-**	**-**	**-**	**610,000.00**
Total		**3,816,678.22**	**37,842.79**	**2,865,913.32**	**600,000.00**	**362,895.24**	**4,208,339.00**	**11,891,668.57**

4.5.4.5 COMPARATIVE INFORMATION REGARDING THE REMUNERATION OF THE BOARD OF DIRECTORS, AND THE GROUP'S RESULTS

The table below shows a comparison between the remuneration paid to Directors who as at 31 December 2024 were members of Brembo's Board of Directors, the Group's financial performance in terms of EBITDA and value of Brembo's stock. Each figure is provided for a period of five years (2020-2024). The following elements were considered for Executive Directors' compensation: fixed remuneration, STIP, LTIP, pension, benefits, allowances, health insurance and supplementary pension. Consistent with what was represented for the year 2024, the values of LTIP (for the years 2020-2021-2022 and 2023) were represented according to IFRS accounting standards.

36 The figures take into account the taxable value, after deducting charges.
37 The LTIP 2022-2024 provides a single grant and one-time payout. This table shows the LTIP values for 2024 only, according to the accounting principle of provisioning.
38 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.
39 In the Extraordinary items are included €500,000 related to strategic yearly bonus paid in 2024 and €100,000 as housing allowance.
40 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.
41 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.

Director (Role)	2024 (€)	2023 (€)	2022 (€)	2021 (€)	2020 (€)
Matteo Tiraboschi (Executive Chairman)	4,615,546	5,180,381	3,958,496	5,283,741	3,994,853
Daniele Schillaci (CEO)	5,448,319	5,967,822	5,127,227	5,451,124	4,233,983
Cristina Bombassei (Executive Director)	465,360	479,127	406,648	454,555	319,447
Roberto Vavassori (Executive Director)	752,444	802,416	661,463	741,440	-
Giancarlo Dallera (Non-Executive Director)	80,000	55,890	-	-	-
Michela Schizzi (Non-Executive Director)	85,000	59,384	-	-	-
Umberto Nicodano (Non-Executive Director)	60,000	58,493	55,000	55,000	60,000
Elizabeth Marie Robinson (Non-Executive Director)	75,000	73,493	70,000	70,000	46,667
Gianfelice Rocca (Non-Executive Director)	60,000	58,493	55,000	55,000	55,000
Elisabetta Magistretti (Non-Executive Director)	120,000	98,493	94,004	90,000	60,000
Manuela Soffientini (Lead Non-Executive Director)	130,000	98,493	76,086	-	-

Corporate performance	2024 (€)	2023 (€)	2022 (€)	2021 (€)	2020 (€)
Group EBITDA (€ thousand)[42]	612,283	635,034	586,034	467,217	361,835
Value of Brembo stock	9.09 [43]	11.10[44]	10.45[45]	12.53[46]	10.80[47]

42 The Group EBITDA actual value reported in the table comes from the segment reporting document (IFRS 8) presented in the annual report 2024 under section "5.2 Explanatory notes to the Consolidated Financial Statements at 31 December 2024 - Segment Report".
43 Closing price of Brembo stock BRE:MI at 30 December 2024.
44 Closing price of Brembo stock BRE:MI at 29 December 2023.
45 Closing price of Brembo stock BRE:MI at 30 December 2022.
46 Closing price of Brembo stock BRE:MI at 30 December 2021.
47 Closing price of Brembo stock BRE:MI at 30 December 2020.

4.5.4.6 INTERNAL PAY RATIO

Pursuant to best practice provision 3.1.2 of the DCGC, the internal pay ratio should be taken into account when formulating the Remuneration Policy. The internal pay ratio is calculated as the ratio between (i) the total annual remuneration of the CEO and (ii) the average total annual remuneration of employees of the Company and the Group companies of which the Company consolidates the financial data.

The following table presents the internal pay ratio for 2024, 2023, 2022, 2021 and 2020:

	2024	2023	2022	2021	2020
Total Annual Remuneration of CEO (€)	5,448,319	5,967,822	5,127,227	5,451,124	4,233,983
Average Total Annual Remuneration of Brembo N.V.'s FTEs (€)	79,736.17	77,470.15	73,492.68	71,742.72	62,848.26
Internal pay ratio[48]	68.33	77.03	69.77	75.98	67.37

In determining the ratio between the CEO's annual total remuneration and the average total annual remuneration of employees, Brembo uses the Dutch methodology with regard to the remuneration components included for the CEO and for the employees (all labor costs). The average total annual remuneration of employees corresponds to the total personnel costs reported in the annual report, which excludes CEO compensation, divided by the average number of full-time equivalents ("FTEs").

The ratio was calculated taking into account only Brembo N.V.'s employees 2,998.43 FTEs for 2020, 2,964.58 FTEs at the end of 2021, 3,032.70 FTEs at the end of 2022, 3,170.80 FTEs at the end of 2023 and 3,287.74 FTEs at the end of 2024. Brembo has chosen to present the average total annual remuneration of employees based primarily on the number of employees at Brembo N.V. Brembo is a multinational company operating across three continents and multiple countries, each with varying cost of living standards, remuneration frameworks, and social contribution and taxation implications. Including all employees within the Brembo Group to represent the internal pay ratio would not accurately reflect, from a methodological perspective, the average pay and working conditions of its workforce. This is due to the fact that it would involve an excessively diverse set of incomparable elements as the denominator.

The footnote indicates the value of pay ratio calculated according to Dutch methodology provided by the DCGC.

In addition, it should be noted that the distribution of Brembo N.V.'s employee categories shows a significant proportion of blue-collar workers. Specifically, blue-collar employees (FTEs) accounted for approximately 54% in 2020, 52% in 2021, 49% in 2022, 47% in 2023 and 45% in 2024, of the total personnel within Brembo Group as of 31 December.

48 The internal pay ratio, calculated by taking into account Brembo Group's employees (FTEs) as of 31 December is equal to: 117.81 in 2024, 132.74 in 2023, 120.52 in 2022, 136.48 in 2021 and 115.25 in 2020. It differs from the annual total remuneration ratio indicated in the "Sustainability Statement" section because of the different calculation method.

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5.

FINANCIAL STATEMENTS

5.1 CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

5.1.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

(euro thousand)	Notes	31.12.2024	31.12.2023	Change
NON-CURRENT ASSETS				
Property, plant and equipment	1	1,542,335	1,353,548	188,787
Right-of-use assets	1	232,661	169,331	63,330
Development costs	2	109,012	104,423	4,589
Goodwill and other indefinite useful life assets	2	122,978	119,579	3,399
Other intangible assets	2	79,435	76,730	2,705
Shareholdings valued using the equity method	3	64,541	60,187	4,354
Investments in other companies	4	3,641	280,132	(276,491)
Financial derivatives	4	8,998	20,385	(11,387)
Other non-current financial assets	4	2,565	2,911	(346)
Receivables and other non-current assets	5	52,928	41,743	11,185
Deferred tax assets	6	109,284	97,661	11,623
TOTAL NON-CURRENT ASSETS		**2,328,378**	**2,326,630**	**1,748**
CURRENT ASSETS				
Inventories	7	638,310	621,697	16,613
Trade receivables	8	631,395	604,877	26,518
Other receivables and current assets	9	137,676	94,539	43,137
Financial derivatives	10	23,985	12,949	11,036
Other current financial assets	10	3,130	3,097	33
Cash and cash equivalents	11	867,216	510,058	357,158
TOTAL CURRENT ASSETS		**2,301,712**	**1,847,217**	**454,495**
ASSETS FROM DISCONTINUED OPERATIONS		**0**	**21**	**(21)**
TOTAL ASSETS		**4,630,090**	**4,173,868**	**456,222**

Equity and Liabilities

(euro thousand)	Notes	31.12.2024	31.12.2023	Change
GROUP EQUITY				
Issued share capital	12	7,007	34,728	(27,721)
Statutory reserve	12	27,721	0	27,721
Revaluation reserve	12	13,369	13,369	0
Hedging reserve	12	25,007	20,894	4,113
Treasury shares	12	(90,425)	(90,425)	0
Share premium	12	26,650	26,650	0
Other reserves and retained earnings/(losses)	12	1,998,177	1,783,622	214,555
Reserve for cumulative translation adjustments	12	24,365	(26,082)	50,447
Net result for the period	12	262,603	305,039	(42,436)
TOTAL GROUP EQUITY		**2,294,474**	**2,067,795**	**226,679**
TOTAL MINORITY INTERESTS		**35,343**	**31,624**	**3,719**
TOTAL EQUITY		**2,329,817**	**2,099,419**	**230,398**
NON-CURRENT LIABILITIES				
Non-current payables to banks	13	574,236	487,615	86,621
Long-term lease liabilities	13	145,146	149,785	(4,639)
Financial derivatives	13	2,574	0	2,574
Other non-current financial payables	13	155	680	(525)
Other non-current liabilities	14	2,793	3,887	(1,094)
Non-current provisions	15	20,438	24,180	(3,742)
Employee benefits	16	47,356	36,445	10,911
Deferred tax liabilities	6	25,202	30,956	(5,754)
TOTAL NON-CURRENT LIABILITIES		**817,900**	**733,548**	**84,352**
CURRENT LIABILITIES				
Current payables to banks	13	425,294	272,269	153,025
Short-term lease liabilities	13	93,346	21,455	71,891
Financial derivatives	13	1,607	160	1,447
Other current financial payables	13	545	58,005	(57,460)
Trade payables	17	697,574	742,099	(44,525)
Tax payables	18	11,719	11,560	159
Current provisions	15	5,365	9,638	(4,273)
Contract liabilities	19	80,347	75,461	4,886
Other current liabilities	19	166,576	150,254	16,322
TOTAL CURRENT LIABILITIES		**1,482,373**	**1,340,901**	**141,472**
TOTAL LIABILITIES		**2,300,273**	**2,074,449**	**225,824**
TOTAL EQUITY AND LIABILITIES		**4,630,090**	**4,173,868**	**456,222**

Note: Following the relocation of the Company in the Netherlands, data at 31 December 2023 have been restated.

5.1.2 CONSOLIDATED STATEMENT OF INCOME

(euro thousand)	Notes	31.12.2024	31.12.2023	Change
Revenue from contracts with customers	**20**	**3,840,643**	**3,849,202**	**(8,559)**
Other revenues and income	21	47,926	45,126	2,800
Costs for capitalized internal works	22	31,497	28,601	2,896
Raw materials, consumables and goods	23	(1,758,445)	(1,788,322)	29,877
Income (expense) from non-financial investments	24	16,253	17,044	(791)
Other operating costs	25	(787,271)	(804,253)	16,982
Personnel expenses	26	(729,547)	(681,620)	(47,927)
GROSS OPERATING INCOME		**661,056**	**665,778**	**(4,722)**
Depreciation, amortization and impairment losses	27	(267,723)	(251,706)	(16,017)
NET OPERATING INCOME		**393,333**	**414,072**	**(20,739)**
Financial income	*28*	*319,784*	*170,589*	*149,195*
Financial expense	*28*	*(358,357)*	*(204,917)*	*(153,440)*
Net interest income (expense)	28	(38,573)	(34,328)	(4,245)
Interest income (expense) from investments	29	11,131	12,256	(1,125)
RESULT BEFORE TAXES		**365,891**	**392,000**	**(26,109)**
Taxes	30	(99,570)	(84,837)	(14,733)
Result from discontinued operations	32	0	136	(136)
NET RESULT FOR THE PERIOD		**266,321**	**307,299**	**(40,978)**
Of which attributable to:				
– Minority Interests		3,718	2,260	1,458
– the Group		262,603	305,039	(42,436)
BASIC/DILUTED EARNINGS PER SHARE (euro)	**31**	**0.82**	**0.94**	

5.1.3 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(euro thousand)	31.12.2024	31.12.2023	Change
NET RESULT FOR THE PERIOD	**266,321**	**307,299**	**(40,978)**
Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period:			
Effect of actuarial gain (loss) on defined-benefit plans	637	(1,000)	1,637
Tax effect	(176)	234	(410)
Effect of actuarial gain (loss) on defined-benefit plans regarding companies valued using the equity method	81	(50)	131
Fair value measurement of investments	3,926	51,503	(47,577)
Tax effect	803	(618)	1,421
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the period	**5,271**	**50,069**	**(44,798)**
Other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period:			
Effect of hedge accounting (cash flow hedge) of derivatives	144	(49,241)	49,385
Tax effect	3,969	10,002	(6,033)
Change in translation adjustment reserve	51,408	(7,293)	58,701
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the period	**55,521**	**(46,532)**	**102,053**
COMPREHENSIVE RESULT FOR THE PERIOD	**327,113**	**310,836**	**16,277**
Of which attributable to:			
– Minority Interests	4,679	614	4,065
– the Group	322,434	310,222	12,212

5.1.4 CONSOLIDATED STATEMENT OF CASH FLOWS

(euro thousand)	Notes	31.12.2024	31.12.2023
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11**	**345,867**	**254,013**
Result before taxes		**365,891**	**392,000**
Depreciation, amortization and Impairment losses	27	267,723	251,706
Capital gains/losses		(388)	(780)
Income/expense from investments	3	(16,335)	(17,124)
Financial income/expense	28	25,302	19,595
Dividends received	29	(11,048)	(12,176)
Financial portion of provisions for defined benefits and payables for personnel	16-28	1,298	569
Long-term provisions for employee benefits	16	17,221	16,018
Other provisions net of utilizations		16,760	3,362
Result from discontinued operations		0	136
Cash flows generated by operating activities		**666,424**	**653,306**
Current taxes paid		(127,835)	(86,640)
Uses of long-term provisions for employee benefits	16	(6,624)	(5,405)
(Increase) reduction in current assets:			
inventories		(28,195)	(35,503)
financial assets		(49)	(177)
trade receivables		(36,009)	(11,794)
receivables from others and other assets		(35,682)	7,358
Increase (reduction) in current liabilities:			
trade payables		(45,195)	88,937
payables to others and other liabilities		20,489	37,506
Translation differences on net working capital		18,172	1,864
Net cash flows from/(for) operating activities		**425,496**	**649,452**

(euro thousand)	Notes	31.12.2024	31.12.2023
Investments in:			
property, plant and equipment	1	(363,964)	(369,084)
intangible assets	2	(47,090)	(43,733)
financial assets (shareholdings)		(4,551)	(3,338)
Price for disposal or reimbursement value of shareholdings	4	282,906	0
Price for disposal or reimbursement value of fixed assets		3,200	1,438
Interests received		23,549	21,898
Dividends received		26,048	22,216
Net cash flows from/(for) investing activities		**(79,902)**	**(370,603)**
Dividends paid in the period		(95,661)	(90,754)
Interests paid	11	(52,804)	(36,668)
Acquisition of own shares	12	(57,456)	(8,164)
Dividends paid to minority shareholders in the period		(960)	(2,122)
Change in fair value of derivatives		4,685	(5,907)
Payment of lease liabilities		(28,607)	(92,590)
Loans and financing granted by banks and other financial institutions in the period	13	250,000	125,000
Repayment of long-term loans and other financing		(102,521)	(77,794)
Net cash flows from/(for) financing activities		**(83,324)**	**(188,999)**
Total cash flows		**262,270**	**89,850**
Translation differences on cash and cash equivalents		(2,542)	2,004
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**11**	**605,595**	**345,867**

Note: Following an in-depht analysis, data at 31 December 2023 have been restated.

5.1.5 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

				Legal reserves									
(euro thousand)	Notes	Issued share capital	Statutory reserve	Revaluation reserve	Hedging reserve	Treasury Shares	Share premium	Other reverves and Retained earnings/ (losses)	Reserve for cumulative translation adjustments	Net result for the period	Group equity	Equity of minority interests	Equity
Balance at 1 January 2023	**12**	**34,728**	**0**	**13,369**	**60,133**	**(24,805)**	**26,650**	**1,531,408**	**(20,435)**	**292,833**	**1,913,881**	**33,132**	**1,947,013**
Allocation of profit for the previous year								202,145		(202,145)	**0**	0	**0**
Payment of dividends										(90,688)	**(90,688)**	(2,122)	**(92,810)**
Buy-back of own shares						(65,620)					**(65,620)**	0	**(65,620)**
Components of comprehensive income:													
Effect of actuarial income/(loss) on defined benefit plans	16							(766)			**(766)**	0	**(766)**
Effect of actuarial income/(loss) on defined benefit plans, for companies valued using the equity method	3							(50)			**(50)**	0	**(50)**
Fair value measurement of investments	4							50,885			**50,885**	0	**50,885**
Effect of hedge accounting (cash flow hedge) of derivatives	13				(39,239)						**(39,239)**	0	**(39,239)**
Change in translation adjustment reserve	32								(5,647)		**(5,647)**	(1,646)	**(7,293)**
Net result for the period										305,039	**305,039**	2,260	**307,299**
Balance at 1 January 2024	**12**	**34,728**	**0**	**13,369**	**20,894**	**(90,425)**	**26,650**	**1,783,622**	**(26,082)**	**305,039**	**2,067,795**	**31,624**	**2,099,419**
Allocation of profit for the previous year								209,378		(209,378)	**0**	0	**0**
Payment of dividends										(95,661)	**(95,661)**	(960)	**(96,621)**
Other changes								(94)			**(94)**	0	**(94)**
Reduction of share capital due to relocation		(27,721)	27,721								**0**	0	**0**
Components of comprehensive income:													
Effect of actuarial income/(loss) on defined benefit plans	16							461			**461**	0	**461**
Effect actuarial income/(loss) on defined benefit plans, for companies valued using the equity method	3							81			**81**	0	**81**
Fair value measurement of investments	4							4,729			**4,729**	0	**4,729**
Effect of hedge accounting (cash flow hedge) of derivatives	13				4,113						**4,113**	0	**4,113**
Change in translation adjustment reserve	32								50,447		**50,447**	961	**51,408**
Net result for the period										262,603	**262,603**	3,718	**266,321**
Balance at 31 December 2024	**12**	**7,007**	**27,721**	**13,369**	**25,007**	**(90,425)**	**26,650**	**1,998,177**	**24,365**	**262,603**	**2,294,474**	**35,343**	**2,329,817**

Note: Following the relocation of the Company in the Netherlands, data at 31 December 2023 and 31 December 2022 have been restated.

5.2 EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2024

GENERAL INFORMATION

Brembo N.V. (hereafter also the "Parent") is a company listed in Euronext Milan, Italy, having its statutory seat in The Netherlands and enrolled in the Chamber of Commerce – KVK – of Amsterdam (No. 93710054), with its headquarters and tax residence at Via Stezzano 87, 24126 Bergamo, Italy (VAT Code 00222620163). Brembo N.V. ultimate controlling party is Nuova FourB S.r.l., which holds 76.56% of voting rights.

In the vehicle industry components sector, the Brembo Group is active in the research, design, production, assembly and sale of high-performing braking systems, wheels and light alloy and metal casting, in addition to mechanical processes in general. The extensive product range consists of brake calipers and pads, brake discs, wheel-side modules, complete braking systems with integrated engineering services, supporting the development of the new models offered to customers. Brembo's products and services are used in the automotive industry, for light commercial and heavy industrial vehicles, motorbikes and racing competitions.

Manufacturing plants are located in Italy, Poland (Częstochowa, Dąbrowa Górnicza, Niepołomice), the United Kingdom (Coventry), the Czech Republic (Ostrava-Hrabová), Germany (Meitingen), Denmark (Svendborg), Spain (Barcelona), México (Apodaca, Escobedo), Brazil (Betim), China (Nanjing, Langfang, Jiaxing, Jinan), India (Pune, Chennai), the USA (Homer) and Thailand (Rayong). Other companies located in Spain (Zaragoza), Sweden (Göteborg), Germany (Leinfelden-Echterdingen), China (Qingdao), Japan (Tokyo), the USA (Huntersville), Russia (Moscow), France (Paris) and Australia (Melbourne) carry out distribution, sales and marketing activities.

5.2.1 FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

INTRODUCTION

The Consolidated financial statements at 31 December 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union (IFRS-EU), and with Part 9 of Book 2 of the Dutch Civil Code. These include all the international accounting standards (IAS) and interpretations of the International Financial Reporting Standards Interpretation Committee (IFRIC).

The Consolidated Financial Statements include the Consolidated Statement of Financial Position, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, and these Explanatory Notes, in accordance with IFRS requirements.

The Group has prepared the financial statements on a going concern basis, in the belief that there are no material uncertainties that might cast significant doubt over this assumption. The Directors believe that there is a reasonable expectation that the Group possesses adequate resources to continue in operational existence for the foreseeable future.

The financial statements are prepared by the Board of Directors and authorized for issue on 18 March 2025 and will be submitted for adoption to the Annual General Meeting of Shareholders of 29 April 2025.

BASIS OF PREPARATION AND PRESENTATION

The Consolidated Financial Statements of the Group have been prepared on the basis of the financial statements as of 31 December 2024 approved by the Boards of Directors or, if available, by the Shareholders' Meetings of the relevant consolidated companies, adjusted, where necessary, to ensure conformity with the Group's classification criteria and accounting policies.

The Consolidated Financial Statements have been prepared in accordance with the general principle of providing a true and fair presentation of the Group's assets and liabilities, financial position, statement of income results and cash flows, based on the following general assumptions: going concern, accrual accounting, consistency of presentation, materiality and aggregation, prohibition of offsetting, and comparative information.

The administrative period and the closing date for preparing the Consolidated Financial Statements correspond to the ones for the Financial Statements of the Parent and all the consolidated companies. The Consolidated Financial Statements are presented in euro, which is the functional currency of the Parent, Brembo N.V., and all amounts are rounded to the nearest thousand unless otherwise indicated.

The Consolidated Financial Statements provide comparison figures for the previous year. When applying an accounting standard or retroactively recognising an adjustment, or reclassifying financial statement items, the Group includes an additional column showing the Statement of Financial Position for the first comparison year.

The Group made the following choices in relation to the presentation of the Financial Statements:

- for the Consolidated Statement of Financial Position, there is separate disclosure of the current and non-current assets and the current and non-current liabilities. Current assets, which include cash and cash equivalents, are those assets that will be realized, sold or consumed in the Group's normal operating cycle. Current liabilities are obligations that will be liquidated within the Group's normal operating cycle or within twelve months of the close of the accounting period;
- in the Consolidated Statement of Income, expense and income items are stated based on their nature;
- the Consolidated Statement of Comprehensive Income has been reported in a separate statement;
- for the Consolidated Statement of Cash Flows, the indirect method was used, as indicated in IAS 7.

DISCRETIONARY VALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

Preparing financial statements in compliance with the applicable accounting standards requires management to make estimates that may have a significant effect on the items reported in the accounts. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the current circumstances and given the information available at the reporting date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized in the period in which such estimates are revised. Management's decisions that have a significant impact on the financial statements and estimates, and have a significant risk of material adjustments to the book value of assets and liabilities in the next accounting period, are discussed in the notes to the individual financial statement entries.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Capitalization of development costs

The initial capitalization is based on management's judgement about the technical and economic feasibility of the project, usually when the project has reached a certain phase of the development plan. When assessing the recoverability of development costs, recoverable amount is estimated on the basis of the future cash flows expected from the project, the applicable discount rates and the period in which expected benefits will be generated. Further information is given in Note 2 of these Explanatory Notes;

Taxes

The Consolidated Financial Statements include deferred tax assets associated with the recognition of tax losses or tax credits that may be used in subsequent years and income components that are tax-deductible on a deferred basis, resulting in an amount the future recovery of which is deemed highly probable by company management The recoverability of such deferred tax assets is conditional on earning future taxable income sufficient to offset such tax losses and for the use of the benefits of other deferred tax assets. Significant management's judgement is required in assessing the probability of the recoverability of deferred tax assets, taking into account all possible negative and positive evidence, and in determining the amount that may be recognized on the basis of the timing and amount of future taxable income, future tax planning strategies and the tax rates in effect when the differences will be reversed. Deferred tax liabilities for taxes on non-distributed profits of subsidiaries, associates or joint ventures are not recognized to the extent that it is considered probable that they will not be distributed in the foreseeable future. The wide range of international commercial relations, the long-term nature and the complexity of current contractual agreements, any differences between actual results and formulated hypothesis, or future changes of those assumptions, may require future adjustments to previously recognized income taxes and expenses. If it should be concluded that the Group is no longer able to recover in future years part or all of the deferred tax assets recognized, the consequent adjustment will be taken to the Statement of Income in the year in which this occurs. The recoverability of deferred tax assets is reviewed at the end of each period. Deferred tax assets not recognized in the financial statements are reassessed at each reporting date to verify the conditions for recognising them. Further information is given in Note 6 of these Explanatory Notes.

Impairment of non-financial assets

The recoverable amounts of such assets have been verified in accordance with the criteria laid down in IAS 36. When determining their recoverable amount, the Group generally applies the criterion of value in use, defined as the present value of the future cash flows expected from the assets being assessed. CGUs (cash-generating units) have been identified in accordance with the Group's organizational and business structure as assets that generate independent cash inflows from their ongoing use. CGUs are thus represented by the individual legal entities that serve the markets, and the criteria for defining them were not changed during the year. In limited cases, the CGU may be represented by the business of reference present in the region, even if managed by multiple legal entities. An impairment loss occurs when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the greater of fair value less costs to sell and its value in use. Recoverable amount is highly dependent on the discount rate used in the discounted cash flow model (which reflects the current market assessments of the time value of money and the risks specific to the asset in question), the expected future cash flows and the growth rate used for extrapolation. The expected future cash flows used to determine value in use are based on the most recent financial plan approved by management, containing projected volumes, revenues, operating costs and investments. The key assumptions used to determine the recoverable amounts of the various cash-generating units, including a sensitivity analysis, are described in detail in these Explanatory Note 2 hereto.

Defined benefit plan

The cost of defined benefit pension plans and other post-employment medical care and the present value of the defined benefit obligation are determined according to an actuarial assessment. Costs and liabilities associated with such plans are calculated based on estimates prepared by actuarial consultants, who use a combination of statistical and actuarial factors, including statistical data concerning previous years and projections of future costs. In addition, the components of estimation also include mortality and retirement rates, assumptions regarding the future evolution of discount rates, salary growth rates, inflation rates and an analysis of the performance of healthcare costs. These estimates may differ substantially from actual results due to the development of economic and market conditions, increases or decreases in retirement rates and the life expectancy of participants and changes in actual healthcare costs. Due to the complexity of the assessment and its long-term nature, such estimates are extremely sensitive to changes in assumptions. All assumptions are therefore reviewed annually. Further information is given in Note 16 of these Explanatory Notes.

Fair value measurement of financial instruments

The determination of the fair value of financial instruments is a structured process involving the use of complex valuation methodologies and techniques and the collection of up-to-date information from the markets of reference and/or the use of internal input data. The fair value of financial instruments is calculated on the basis of market prices, where available, or, for unlisted financial instruments, by applying specific valuation techniques based on the discounting of future cash flows. As with other estimates, the determination of fair value, while based on the best available information and the adoption of adequate valuation methodologies and techniques, is intrinsically characterized by elements of uncertainty and the use of professional judgement, which could result in projected values that differ from actual results.

Climate Change

A worldwide process of decarbonization and electrification of the global economy is in progress. In accordance with the requirements of the Paris Agreement, this process is crucial to achieving the net zero goal, which should prevent the severe consequences of an increase in temperatures of over 1.5°C.

To this end, and as illustrated in greater detail in the Sustainability statement, the Group has set its own strategic guidelines, which lay down:

- a process aimed at reducing to zero by 2040 the CO_2 emissions classified as Scopes 1 and 2 (direct and indirect emissions generated by its activities) and Scope 3 (emissions generated by the value chain);
- the development of solutions that facilitate the emission reduction, increasing vehicles' overall efficiency.

Within this framework, IAS 1 requires that the Notes to the Financial Statements include a disclosure of the entity's assumptions concerning the future that might entail a significant risk of causing a material adjustment in the subsequent financial year. The consequences in terms of investments, costs and cash flows are taken into consideration when preparing the financial statements, in accordance with the progress of the roadmap of the process (e.g., revision of the useful lives of assets planned to be replaced, adjustment of impairment tests to reflect the impacts on investment flows, etc.). It is possible that in the future the carrying amounts of assets and liabilities in the Group's financial statements may be subject to various impacts as the strategy for managing climate change continues to evolve. These aspects are monitored through coordination between the various company functions involving a cross-functional work team set up to conduct thorough analyses of the impact of projects aimed at reducing the emissions generated by the production process and value chain. The roadmap to achieving the net zero goal is periodically updated and discussed within the Sustainability Committee to assess specific investment needs, evaluate the impact of external events and update the state of progress.

Pursuant to IAS 36, impairment tests are conducted on the basis of the Group's Business Plan, which in turn is founded on short-, medium- and long-term strategic objectives. The cash flows used are therefore drawn from this plan and include both the risks and opportunities associated with climate change (e.g., energy efficiency projects, replacement of energy sources, development of low-emissions products, etc.).
IAS 16 and 38 establish the criteria for capitalising costs. Costs, including those of developing new solutions that reduce consumption, are capitalized when they meet the requirements set by the two standards. The useful lives of property, plant and equipment, along with those of intangible assets, are determined in accordance with the Group's strategic objectives and Business Plan.

IFRS 13 requires a disclosure of the key assumptions used when assets are measured at fair value and measurement may include various possible scenarios. The Company's portfolio includes VPPAs (Virtual Power Purchase Agreements) and a cPPA (Corporate Power Purchase Agreement). The VPPAs are measured at fair value on the basis of market scenarios that reflect actual transactions, fundamental models and operators' expectations regarding short, medium and long-term energy scenarios according to IFRS 9 principle, applying hedge accounting. In particular, as part of the assessment of the existence of an economic relationship between the hedged item and the hedging instrument through a qualitative assessment, the Company expects a high level of compensation between change in fair value of hedging instrument and present value of cash flows resulting from hedged item due to:
a) identical volume of the hedging instrument (VPPA) and the hedged item (forecasted purchase price of electricty) in each year,
b) similar payments dates;
c) an identical basis instrument for floating price (TGe24 index).

At each assessment date the Group will review whether all above key terms and conditions are still matched.
The cPPA is elected for own use exemption, according to the same accounting principle.
In addition, specific sensitivity analyses are conducted to take account of the various future scenarios.
All the contracts are managed to hedge electricity price in Poland (paying a fixed price) and to grant the company an higher share of green energy, according to its sustainability targets.
On the basis of IAS 37, it is possible that the provisions previously recognized for future events could be realized sooner, with the resulting change in the estimate to be recognized. Climate change, and the ensuing associated legislation, might require the reconsideration of such estimates and recognition of liabilities previously not recognized, for which specific disclosure would be provided.
Despite including considerable investments relating to sustainability objectives in its financial plans, Brembo has introduced an additional sensitivity scenario for its flows (at both consolidated level and GBU level), designed to reflect its carbon neutrality goals. Accordingly, cash outflows were simulated, both during the explicit period and in the estimate of terminal value, which simulate the cost of neutralising CO_2 emissions (Scope 1) on the basis of the market values that would be incurred to neutralize them.

CHANGE IN ACCOUNTING STANDARDS AND DISCLOSURES

The valuation and measurement criteria used are based on the IFRS in force as of 31 December 2024 and endorsed by the European Union. In the reporting year, the Group applied a series of amendments to the international accounting standards issued by the IASB that entered into effect on a mandatory basis for accounting periods that begin on or after 1 January 2024. Their adoption had no impact on the information or the amounts indicated in these Financial Statements.

Amendments to IFRS 16 – *Leases*
The IASB has issued narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 explaining how a seller-lessee accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or a rate are most likely to be impacted.

Amendments to IAS 1 – *Presentation of Financial Statements*
The amendments to IAS 1 clarify the criteria for classifying liabilities with covenants as current or non-current. The amendments will also require companies to provide additional information to stakeholders. The changes introduced by the amendments require companies to consider the potential impact for their loan arrangements and the presentation of their financial statements.

Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments*
In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. With the amendments, the IASB has introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

Other standards, interpretations or amendments, endorsed or not yet endorsed, and not yet entered into force at the reporting date, are listed in the following table:

Description	Endorsed	Expected date of entry into force
Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (issued on 15 August 2023)	YES	1 January 2025
IFRS 18 - *Presentation and Disclosure in Financial Statement* (issued on 9 April 2024)	NO	1 January 2027
IFRS 19 - *Subsidiaries without Public Accountability Disclosure* (issued on 9 May 2024)	NO	1 January 2027
Annual Improvements Volume 11 (issued on 18 July 2024)	NO	1 January 2026
Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity* (issued on 18 December 2024)	NO	1 January 2026
Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments* (issued on 30 May 2024)	NO	1 January 2026

The Group did not opt for early adoption of new standards, interpretations or amendments that have been issued but have not entered into force yet.

PRINCIPLES AND BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the Financial Statements of the Parent, Brembo N.V., at 31 December 2024, and the Financial Statements of the companies controlled by Brembo N.V. pursuant to IFRS 10.

Control arises when the Group is exposed, or has rights, to variable returns from its involvement with the investee and at the same time has the ability to influence those returns through its power over the said investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee;
- the ability to exert its power over the investee to influence its returns.

It is generally presumed that the majority of voting rights confers control. In support of this assumption, where the Group holds less than the majority of voting rights (or similar rights), the Group considers all facts and circumstances relevant to determining whether it controls the investee, including the contractual agreements with the other vote-holders of the investee, rights arising from other contractual agreements and the Group's actual and potential voting rights. The Group reconsiders whether it controls an investee if the facts and circumstances indicate that there have been changes in one or more of the three factors relevant to determining control. A subsidiary begins to be consolidated when the Group obtains control of it and ceases to be consolidated when the Group loses control. The assets, liabilities, revenues and costs of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group obtains control until the date the Group no longer controls the company.
Income (loss) for the year and other comprehensive income components are allocated to the shareholders of the Parent and minority interests, even if this results in a negative balance for the minority interests. Where necessary, the appropriate adjustments are applied to the financial statements of subsidiaries, so as to ensure compliance with the Group's accounting policies. All intra-group assets and liabilities, equity, revenues, costs and cash flows relating to transactions between Group entities are completely eliminated during the consolidation process.
Changes in percent interests in a subsidiary that do not entail a loss of control are recognized at equity. If the Group loses control of a subsidiary, it eliminates the related assets (including goodwill), liabilities, minority interests and other equity components, while any profit or loss is recognized in the Statement of Income. The residual interest, if any, is measured at fair value.

The following corporate transactions impacting the Group's consolidation area were performed in 2024:

- in July 2024, a new entity named Brembo Australia Pty. Ltd., fully owned by Brembo N.V. was established. The company carries out marketing activities within the Australian market for the aftermarket only.
- in August 2024, a new entity named Brembo France Sas, fully owned by Brembo N.V. was established. It deals with promoting the sale of car brake discs for the aftermarket only.

The list of consolidated subsidiaries, associates and joint ventures that are accounted for using the equity method, along with information regarding their registered offices and the percentage of share capital held, is included in the paragraph "Information About the Group" of these Explanatory Notes.

Business combinations and goodwill

Business combinations (established after the date of transition to IFRS) are accounted for using the purchase accounting method envisaged by IFRS 3. The value of the entity included in the business combination is the sum of the fair value of the assets acquired and liabilities assumed, including contingent liabilities.
The cost of a business combination is identified as the fair value, at the date control is obtained, of the assets acquired, liabilities assumed and equity instruments issued for the purposes of the combination. That cost is then compared with the fair value of the identifiable assets, liabilities and contingent liabilities upon acquisition. Any positive difference between the cost of the acquisition and the Group's share of the fair value of the identifiable assets, liabilities and contingent liabilities upon acquisition is recognized as goodwill. Any negative differences are charged directly to the Statement of Income. If the initial cost of a business combination can only be determined provisionally, adjustments to the initial provisional values must be made within twelve months of the acquisition date. Minority interests are recognized on the basis of the fair value of the net assets acquired. If a business combination involves more than one transaction, with successive share purchases, each transaction is treated separately using the cost of the transaction and fair value information on the assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any differences. When control of a company is obtained through a subsequent share purchase, the previously held interests are accounted for based on the fair value of identifiable assets, liabilities and contingent liabilities at the date control is acquired.

The acquiree measures contingent consideration at fair value at the acquisition date. The change in fair value of contingent consideration classified as an asset or liability, in that it is a financial instrument falling within the scope of IFRS 9, must be recognized in profit or loss or in Other Comprehensive Income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the relevant IFRS. If the contingent consideration is classified as an equity instrument, its value is not remeasured and its subsequent settlement is recognized in equity.
Goodwill is initially recognized at cost, as the difference of the aggregate of the value of the consideration transferred and the amount attributed to minority interests compared to net identifiable assets acquired and liabilities assumed by the Group. If the consideration is lower than the fair value of net assets of the acquired subsidiary, the difference is recognized in profit or loss.
After initial recognition, goodwill is measured at cost less any impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree have been assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill associated with the operation disposed of is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Equity Investments in Associates and Joint Ventures

An associate is a company over which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, without exercising control or joint control over the investee.
A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control, which exists only when decisions about the relevant activities require the unanimous consent of all parties sharing control.
Considerations used to determine significant influence or joint control are similar to those required to determine control of subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, an investment in an associate or a joint venture is initially recognized at cost. The carrying amount is increased or decreased to recognize the investor's share of the investee's profit or loss realized after the acquisition date. The goodwill related to the associate or joint venture is included in the carrying amount of the investment and is not tested separately for impairment.

The Statement of Income reflects the Group's share of the profits or losses of the associate or joint venture. All changes in Other Comprehensive Income relating to such investees have been presented in the Group's Statement of Comprehensive Income. In addition, when an associate or a joint venture recognizes a change directly in equity, the Group recognizes its share of that change, where applicable, in its Statement of Changes in Equity. Unrealized gains and losses on transactions between the Group and associates or joint ventures are eliminated in proportion to the interest held in the associates or joint ventures.

The aggregate share of the net result of associates and joint ventures attributable to the Group is recognized in the Statement of Income and represents the income or loss after taxes and the amounts attributable to the other shareholders of the associate or joint venture.
The financial statements of associates and joint ventures are prepared at the same reporting date as the Group's Financial Statements. Where necessary, such financial statements are adjusted to bring them into line with the Group's accounting standards.
Once the equity method has been applied, at each reporting date the Group assesses whether there is objective evidence that the investments in the associates or joint ventures have become impaired. In such cases, the Group calculates the amount of the loss as the difference between the recoverable amount of the associate or joint venture and the carrying amount of the investment in its financial statements, and then accounts for that difference in the Statement of Income.
When significant influence over an associate or joint control of a joint venture is lost, the Group measures and recognizes the residual investment at fair value. The difference between the carrying amount of the investment at the date significant influence or joint control is lost and the fair value of the residual investment and consideration received is recognized in profit or loss.

Shareholdings in other companies

Shareholdings in other companies are classified and measured at fair values through other comprehensive income (OCI), as better described in the section "Financial Instruments – Financial Assets" below.

Conversion of the Financial Statements of foreign companies

The financial statements of the Group companies included in the Consolidated Financial Statements are denominated in the currency used in the primary market in which they operate (functional currency). The Group's Consolidated Financial Statements are denominated in euro, which is the functional currency of the Parent Brembo N.V.
At year end, the assets and liabilities of subsidiaries, associates and joint ventures with a functional currency other than the euro are translated into the currency used to prepare the consolidated Group accounts at the exchange rate prevailing at that date. Statement of Income items are translated at the average exchange rate for the period (as it is considered to represent the average of the exchange rates prevailing on the dates of the individual transactions). The differences arising from the translation of initial equity at end-of-period exchange rates and the differences arising as a result of the different method used for translating the result for the period are recognized under a specific heading of equity. If consolidated foreign companies are subsequently sold, accumulated conversion differences are recognized in the Statement of Income.

The following table shows the exchange rates used in the translation of financial statements denominated in currencies other than the Group's functional currency (euro).

Euro against other currencies	Exchange rate 2024	Average exchange rate 2024	Trading price High for the period	Trading price Low for the period	Exchange rate 2023	Average exchange rate 2023	Trading price High for the period	Trading price Low for the period
U.S. Dollar	1.038900	1.082055	1.1196	1.0389	1.105000	1.081580	1.1255	1.0469
Japanese Yen	163.060000	163.817355	175.3900	155.6600	156.330000	151.942108	164.0500	137.9300
Swedish Krona	11.459000	11.430903	11.7740	11.1545	11.096000	11.472809	11.9872	11.0030
Danish Krone	7.457800	7.458879	7.4628	7.4536	7.452900	7.450991	7.4648	7.4370
Polish Zloty	4.275000	4.305748	4.3993	4.2483	4.339500	4.542063	4.7875	4.3090
Czech Koruna	25.185000	25.118922	25.4600	24.4880	24.724000	24.000676	24.7240	23.2710
Mexican Peso	21.550400	19.824911	22.2790	17.5982	18.723100	19.189748	20.8318	18.0507
Pound Sterling	0.829180	0.846592	0.8665	0.8243	0.869050	0.869907	0.8934	0.8511
Brazilian Real	6.425300	5.826786	6.5335	5.3069	5.361800	5.401616	5.7758	5.1860
Indian Rupee	88.933500	90.530736	93.8130	87.9290	91.904500	89.324864	92.4490	86.4210
Chinese Renminbi	7.583300	7.786260	7.9547	7.5458	7.850900	7.659070	8.1014	7.2045
Russian Rouble	114.976500	100.176490	119.5058	89.7376	97.914300	92.146067	107.4191	72.5216
Swiss Franc	0.941200	0.952603	0.9924	0.9267	0.926000	0.971730	1.0056	0.9260
Thai Baht	35.676000	38.178502	39.9480	35.4890	37.973000	37.632835	39.0810	34.4550
Australian Dollar	1.677200	1.639944	1.7008	1.6018	1.626300	1.628477	1.6999	1.5289

Transactions in currencies other than the functional currency

Transactions in currencies other than the functional currency are initially converted into the functional currency using the exchange rate prevailing at the date of the transaction. At the closing date of the accounting period, monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the exchange rate prevailing at that date. Exchange differences arising from such translation are recognized in the Statement of Income.
Non-monetary assets and liabilities denominated in currencies other than the functional currency that are carried at cost are translated using the exchange rate prevailing at the transaction date, while those carried at fair value are translated using the exchange rate prevailing on the date the fair value is determined.

ACCOUNTING STANDARDS AND VALUATION CRITERIA

PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS

Recognition and measurement

Property, plant, equipment and other equipment are recognized at cost, net of the related accumulated depreciation and any impairment loss. The cost includes the purchase or production price and direct costs incurred for bringing the asset to the location and in the conditions necessary for it to be capable of being operated; interest expense is also included, where applicable under IAS 23. Subsequent to initial recognition, the asset continues to be carried at cost and depreciated based on its useful life net of any impairment in value, taking into account any residual value.

Land, including land linked to buildings, is recognized separately and is not depreciated since it is regarded as having an indefinite useful life.

Subsequent costs

Costs for improvements and transformations that increase the value of assets (i.e., they result in probable future economic rewards that can be reliably measured) are recognized in the assets section of the Statements of Financial Position as increases in the reference assets or as separate assets. Costs are recognized in the year in which they are incurred, where they relate to maintenance or repair and do not lead to any significant and measurable increase in productive capacity or in the useful life of the relevant asset.

Depreciation

Depreciation represents the economic and technical loss of value of the asset and is charged from when the asset is available for use; it is calculated using the straight-line method based on the rate considered representative of the estimated useful life of the asset.

The range of expected useful lives of property, plant and equipment used for calculating depreciation is reported below:

Category	Useful life
Land	Indefinite
Buildings	10-35 years
Plant and machinery	5-20 years
Industrial and commercial equipment	2.5-10 years
Other assets	4-10 years

The residual values, useful lives and depreciation methods applied to property, plant and equipment are reviewed at the end of each year and prospectively corrected, where appropriate. Useful lives are unchanged compared to the previous year.

Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It requires lessees to recognize all lease contracts in the financial statements on the basis of a single accounting model similar to that used to recognize finance leases that were governed by IAS 17. The lessee recognizes a liability for payments of rental fees specified in the lease contract and an asset representing the right to use the underlying asset for the period of the contract. Lessees must recognize separately the interest paid on the lease liability and depreciation of the right to use the asset. Lessees must also re-measure the lease liability when certain events happen (e.g., a change in lease contract conditions or a change in future lease payments caused by a change in an index or rate used to determine those payments). The lessee generally recognizes the re-measured amount of the lease liability as an adjustment to the right to use the asset. The Group determines the lease term as the non-cancellable portion of the lease, together with the periods covered by the option to extend the lease, where it is reasonably certain that this option will be exercised, as well as the periods covered by the lease break option, if it is reasonably certain that this option will not be exercised.

Leasehold improvements

Improvements to third-party assets that can be considered fixed assets are capitalized to the appropriate asset category and depreciated over the shorter of their useful life or the lease term.

DEVELOPMENT COSTS AND OTHER INTANGIBLE ASSETS

The Company recognizes intangible assets when the following conditions are met:

- the asset is identifiable, or separable, or can be separated or removed from the entity;
- the asset is controlled by the Group, meaning that the company has the power to obtain future economic rewards from the asset;
- it is probable that the Group will enjoy future rewards attributable to the asset.

Intangible assets are initially measured at cost; subsequent to initial recognition, they are carried at cost less amortization, which is calculated using the straight-line method (beginning on the date the assets are available for use) over their useful lives, and net of any impairment losses, taking into account any residual value. The useful life of assets is reviewed periodically.

Intangible assets with indefinite useful lives principally consist of acquired trademarks which have no legal, regulatory, contractual, competitive, economic, or other factor that limits their useful life. Intangible assets with an indefinite useful life are not amortized but are tested for impairment annually or more frequently whenever there is an indication that the asset may be impaired.

An intangible asset generated in the development phase of an internal project is recognized as asset if the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and the ability to use or sell it;
- how the intangible asset will generate probable future economic rewards;
- the availability of adequate resources to complete the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development;
- the ability to use the intangible asset generated.

Research costs are recognized in the Statement of Income. Similarly, in the case of externally acquired intangibles that qualify as research and development costs, only the costs attributable to the development phase are recognized as assets, provided that the above requirements are met.
Such costs are capitalized under "Development costs" and amortized only when the development phase is concluded and the asset developed generates economic rewards.
In the period in which internal development costs that can be capitalized are incurred, these costs are excluded from the Statement of Income item "Increase on internal works capitalized" and recognized in the item "Costs for capitalized internal works".

The range of expected useful lives of intangible fixed assets used for calculating amortization is reported below:

Category	Useful life
Development costs	3-5 years
Goodwill and other fixed assets with indefinite useful lives	Indefinite
Industrial patents and similar rights	5-10 years
Other intangible assets	3-5 years

The residual values, useful lives and amortization methods applied to intangible assets are reviewed at the end of each year and prospectively corrected, where appropriate. Useful lives are unchanged compared to the previous year.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill, intangible assets with an indefinite life and development costs underway are systematically tested for impairment at least once a year, and whenever there are any indications of impairment.
Property, plant and equipment, as well as intangible assets that are subject to depreciation and amortization are tested for impairment whenever indications of impairment arise.
Write-downs correspond to the difference between the carrying value and recoverable value of the assets in question. The recoverable value is the greater of the fair value of an asset or cash-generating unit less the costs of disposal and the value in use, determined as the present

value of estimated future cash flows. The value in use is defined as the cash flows expected to arise from the use of an asset, or the sum of the cash flows in the case of more cash-generating units. The expected future cash flows are measured using the unlevered discounted cash flows method and each group of assets is discounted to the present value using the WACC method (weighted average cost of capital). If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and, as a general rule, the impairment loss is recorded in the Statement of Income. When the impairment loss of an asset (except for goodwill) is subsequently reversed, the carrying value of the asset (or cash-generating unit) is increased to the new estimate of recoverable value, without exceeding the value prior to write-down.

INVENTORIES

Inventories of raw materials and finished products are stated at the lower of cost of acquisition or market value and the corresponding presumable net realisable value estimated from market trends.
The purchase cost includes costs incurred to bring each asset to the place it is stored. Manufacturing costs of finished products and semi-finished goods include direct costs and a portion of indirect costs that can be reasonably attributed to the products based on normal exploitation of the production capacity; interest expense is excluded. Work in progress is valued at production costs for the year, based on the progress report.
The cost of inventories of raw materials, finished goods, goods for resale and semi-finished products is calculated using the weighted mean cost method.
For raw materials, ancillaries and consumables, the presumable net realisable value corresponds to the replacement cost. For finished products and semi-finished goods, the presumable net realisable value corresponds to the estimated sales price in the ordinary course of business, less the estimated costs of completion and costs to sell. Inventories that are obsolete or characterized by a long turnover period are written down on the basis of their possible useful life or future realisable value, by creating a special provision for inventory adjustment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances, unrestricted deposits and other treasury investments with original maturities of up to three months. A treasury investment is classified among cash and cash equivalents when it is instantly convertible to cash with minimal risk of any fluctuation in value and when it is intended to meet short-term cash requirements and is not held as an investment.
For purposes of the Statement of Cash Flows, cash balances are stated net of bank overdrafts at the end of the period.

PROVISIONS

Provisions include certain or probable costs of a specific nature, the amount or settlement date of which could not be determined at year end. A provision is recognized when:
- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recognized at the present value of the expected expenditure required to settle the related obligation. Where the Group expects some or all of the expenditure required to settle a provision to be reimbursed, such as for the case of insured risks, the reimbursement is treated as a separate asset and is recognized when, and only when, it is virtually certain that the reimbursement will be received. In this case, the expense relating to the provision is presented in the Statement of Income net of the amount recognized for the reimbursement. Provisions are periodically updated to reflect changes in cost estimates, timing and present value, if any; revisions to estimates of provisions are recognized under the same item of the Statement of Income under which the original provision was recognized and in the Statement of Income of the period in which the change is made. When provisions are discounted to present value, the change resulting from the passage of time or interest rate fluctuations is recognized under "Net interest income (expense)".
Any provisions for restructuring costs are recognized when the company involved has approved a formal detailed plan and communicated it to affected parties.
A provision for costs arising from tax liabilities is recognized when the dispute to which the contingent liability refers is ongoing or likely.
Provisions for product warranty costs are recognized when products are sold. Initial recognition is based on historical experience, excluding exceptional events, for which a precise assessment is conducted. The initial estimate of the costs of warranty work is reviewed annually.

EMPLOYEE BENEFITS

The difference between defined contribution plans, wholly unfunded defined benefit plans, wholly or partly funded defined benefit plans and other forms of long-term benefits is reported below.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which a company pays contributions to an insurance company or pension fund and has no legal or constructive obligation to pay further contributions if, when the benefit right matures, the fund does not have sufficient assets to pay all benefits relating to employee service in the current or prior periods.

These contributions, which are paid for the services rendered by employees, are recognized in the same accounting period in which the services are rendered.

Defined benefit plans and other long-term benefits

Defined benefit plans are post-employment benefit plans that entail a future obligation for the company. The company assumes actuarial and investment risks in relation to the plan.
To determine the present value of its obligations relating to such plans and the related service costs, the Group uses the "Projected Unit Credit Method".
This actuarial calculation method requires the use of unbiased and mutually compatible actuarial assumptions about demographic variables (mortality rate and employee turnover rate) and financial variables (discount rates and future increases in salary and benefits).
When a defined benefit plan is wholly or partly funded by contributions paid either into a fund that is legally separate from the company or to an insurance company, any plan assets are measured at fair value. The obligation is therefore stated net of the fair value of the plan assets that will be used to directly meet such obligation.
Remeasurements, which include actuarial gains and losses, any changes in the effect of the assets ceiling (excluding net interest) and return on plan assets (excluding net interest) are recognized immediately in the Statement of Financial Position, debiting or crediting retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified through profit or loss in the following years.
Other long-term benefits refer to employee benefits other than post-employment benefits. They are accounted for in the same manner as defined benefit plans.

OWN SHARES

Own shares bought back are recognized at cost and are deducted from equity. No gain or loss is recognized in the Statement of Income on the purchase, sale, or cancellation of the company's own shares. The difference between the carrying amount and the consideration, in case of reissue, is recognized in the share premium reserve.

GOVERNMENT GRANTS

Government grants are recognized at fair value, when there is reasonable assurance that all necessary conditions attached to them have been satisfied and the grants will be received.
Grants received in recognition of specific expenses are recognized as liabilities and credited to the Statement of Income on a systematic basis over the periods necessary to match the grant income with the related expenditure.
Grants received for defined assets that are recognized as fixed assets are accounted for as non-current liabilities and credited to the Statement of Income in relation to the period in which depreciation or amortization is charged for the relevant assets.

FAIR VALUE MEASUREMENT

The Group measures financial instruments, such as derivatives, at fair value at the end of each financial period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes a sale of the asset or transfer of the liability taking place:
- in the principal market for the asset or liability; or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.
Fair value measurement takes into account the characteristics of the asset or liability being measured that market participants would consider when pricing the asset or liability, assuming that market participants act with the aim of best satisfying their economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic rewards by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques appropriate to the circumstances and for which sufficient data for fair value measurement are available, thus maximising the use of significant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, the fair value of which has been measured or recognized in the financial statements, are categorized based on the fair value hierarchy, as described below:
- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - measurement techniques whereby inputs are unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the hierarchy level of the lowest level input that has been used for the measurement.
For assets and liabilities that are measured at fair value on a recurring basis, the Group determines whether shifts have occurred between hierarchy levels and revises the categorization (based on the lowest level input that is significant to the entire fair value measurement) at the end of each financial period.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are initially recognized at their fair value, plus ancillary costs. Upon initial recognition, financial assets are classified, depending on their nature, in the following categories: financial assets measured at fair value through profit or loss or through other comprehensive income (OCI), loans, receivables and financial assets available for sale.
Loans and receivables (the category of greatest significance for the Group) are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. After initial recognition, such financial assets are measured at amortized cost, using the effective interest rate method, less impairment losses. Amortized cost is calculated by including any discounts, premiums or fees and/or costs, which are an integral part of the effective interest rate. The effective interest rate is recognized as interest income in the Statement of Income. Impairment losses are recognized in the Statement of Income as interest expense. This category normally includes trade and other receivables.
When accounting for financial assets measured at amortized cost, the Group first assesses whether impairment exists for each financial asset that is individually significant, and collectively for financial assets that are not individually significant. The carrying amount of an asset is reduced by recognising a write-down provision, and the amount of the loss is recognized in the Statement of Income. Loans and the associated write-down provisions are derecognized when there is no realistic prospect that they may be recovered in future and the guarantees have been enforced or transferred to the Group. If, in a subsequent year, the amount of an estimated impairment loss increases or decreases because of an event occurring after the impairment is recognized, the previously recognized impairment loss is increased or decreased by adjusting the provision.
Financial assets are classified and measured at fair values through OCI when they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Upon the initial recognition of investments in equity instruments, the Group may irrevocably elect to classify its investments as equity instruments measured at fair value through OCI where they meet the definition of an equity instrument pursuant to IAS 32 – *Financial Instruments: Presentation* and are not held for trading. The classification is determined for each instrument. Gains and losses on such financial assets are never transferred to profit or loss. Dividends are recognized as other income in profit or loss when entitlement to payment is approved, unless the Group benefits from such income as a recovery of part of the cost of the financial asset, in which case the profits are taken to OCI. Equity instruments measured at fair value through OCI are not tested for impairment.
Financial assets are derecognized from the financial statements when the right to receive cash flows ceases, the Group transfers the right to receive cash flows from the asset to a third party, or the Group assumes a contractual obligation to pay them in full and without delay, and (1) it has transferred substantially all of the risks and rewards of ownership of the financial asset, or (2) it has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset. Where the Group has transferred the rights to receive the cash flows from an asset, or has entered into a contractual arrangement whereby it retains its contractual right to receive the cash flows from the asset, but assumes a contractual obligation to pay cash flows to one or more beneficiaries (pass-through arrangement), it evaluates the extent to which it has retained the risks and rewards of ownership.

Financial liabilities

Upon initial recognition, financial liabilities are classified among financial liabilities at fair value through profit or loss, loans and financing or derivatives designated as hedging instruments. All financial liabilities are initially recognized at fair value, in addition to directly attributable transaction costs in the case of loans, financing and payables. The Group's financial liabilities extend to trade payables and other payables, loans and financing, including account overdrafts, guarantees issued and derivative financial instruments, as well as lease liabilities. Loans and payables (the category of greatest significance for the Group) are measured at amortized cost using the effective interest rate method. Gains and losses are

recognized in the Statement of Income when the liability is extinguished, as well as through the amortization process. Amortized cost is calculated by including the discount or premium of the acquisition, as well as costs and fees, which are an integral part of the effective interest rate. Amortization at the effective interest rate is gradually recognized to profit or loss over the life of the loan.
Financial guarantees issued are contracts that require a payment to reimburse the holder of a debt instrument for a loss incurred by the holder due to default by the debtor on payment at the contractual due date. When the Group issues financial guarantees, the financial guarantee contracts are initially recognized as liabilities at fair value, plus the transaction costs directly attributable to issuing the guarantee. The liability is then measured at the greater of the best estimate of the outlay required to meet the guaranteed obligation at the reporting date and the initially recognized amount, less cumulative amortization.
A financial liability is derecognized when the obligation underlying the liability is extinguished, cancelled or discharged. Where one existing financial liability is replaced by another attributable to the same borrower with substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is accounted for by derecognising the original liability and recognising a new liability, with any differences between carrying amounts recognized in the Statement of Income.

Offsetting of financial instruments

A financial asset and a financial liability may be set off against one another, and the net balance presented in the Statement of Financial Position, if there is a legally enforceable right to set off the recognized amounts and the entity intends either to settle on a net basis or realize the asset and settle the liability simultaneously.
Loans, payables and other financial and/or trade liabilities with a fixed or determinable maturity are initially recognized at fair value, net of the transaction costs. After initial recognition, these payables are evaluated using the criterion of amortized cost at the effective interest rate.
Long-term debts for which an interest rate is not specified are recognized by discounting future cash flows at market rate, if the increase in payables arises from the passage of time, with subsequent recognition of interest through profit or loss, in item "Net interest income (expense)".

DERIVATIVES

Derivatives, including embedded derivatives separated from their host contracts, are initially recognized at fair value.
Derivatives are classified as hedging instruments when the relationship between the derivative and the object of the hedge is formally documented and the degree of coverage, which is periodically checked, is high.
When hedging derivatives hedge the risk of changes in the fair values of the hedged instruments, they are recognized at fair value through profit or loss. Accordingly, the hedged instruments are adjusted to reflect changes in fair value associated with the hedged risk.
When derivatives hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedges), the hedges are designated on the basis of the exposure to changes in cash flows attributable to risks that may influence profit or loss at a later date. Such risks are generally associated with a recognized asset or liability (such as future payments of variable-rate debt).
The effective portion of the change in the fair value of the part of derivative contracts designated as hedges in accordance with the requirements of IFRS 9 is recognized in the Statement of Comprehensive Income (hedging reserve). That reserve is then released to the profit or loss when the hedged transaction is recognized in the Statement of Income.
The ineffective portion of the change in fair value, along with the entire change in the fair value of derivatives not designated as hedges or that do not meet the requirements presented in IFRS 9, is recognized directly in profit or loss.
The current and non-current classification of active and passive derivative instruments is carried out considering the maturity of the future financial flows of the derivatives.

REVENUE FROM CONTRACTS WITH CUSTOMERS, OTHER REVENUES AND INCOME

Revenue from contracts with customers is recognized in the Statement of Income for an amount that reflects the consideration to which the entity claims entitlement in exchange for transferring the control of the goods or services to the customer.

Revenues are recognized net of sales returns, discounts, allowances and taxes that are directly associated with the sale of the product or provision of the service.

Sales of goods and services are recognized at the fair value of the consideration received when the following conditions are met:

- the control associated with ownership of the good is transferred;
- the revenue amount can be measured reliably;
- it is probable that the economic rewards arising from the sale will flow to the Company;
- the costs incurred or that will be incurred can be measured reliably.

The sale of the brake system is the sole obligation ("at a point in time"), since revenue will be recognized when control of the asset is transferred to the customer, which generally coincides with the moment of delivery. The price, which refers to the sole Performance Obligation identified, resulting from market value and negotiations between the parties. Revenues are recognized net of sales returns, discounts, allowances and taxes that are directly associated with the sale of the product or provision of the service.

The Group supplies equipment sold separately from the brake systems. The equipment sold becomes the full property of the customer and does not have an alternative use, i.e. there are practical limitations — unique design specifications for the customer — that prevent the entity from easily directing the asset to another use in its complete form. There is thus a single performance obligation in the contract whose price coincides with the price of the order and that is satisfied when the customer obtains control of the asset.

The Group recognizes revenue for carrying out development activities of specific brake systems requested by its customers. If the services rendered by the Group regard primary product development and Brembo keep the ownership of the development, the related revenue is suspended from Statement of income, and a "Contract liability" is booked, until the development process is completed; then, the revenue is recognized in the Statement of income over the useful life of the product to which the development activity is related (the time horizon is estimated, on average, of five years). On the other hand, if the ownership of the development is sold to the customer, the revenue is recognized when the control (along with the risks/rewards) is transferred to the customer, i.e., upon invoicing to the customer.

Paragraph 15.B63 identifies the exceptions to the recognition of revenue over time. These exceptions are royalties and sales-based royalties. The exception applies to royalties collected for the licensing of Brembo's trademark and technology. The proceeds are to be accounted for as revenue at a point in time and thus to be taken to the statement of income in full when they are received. The entity only recognizes revenue from sales-based royalties when the subsequent sale occurs, i.e. when the article produced using the trademark or technology to which the royalties refer is then sold, consequently, the revenue is accounted for in accordance with the principle of economic competence.

INTEREST INCOME (EXPENSE)

Interest income/expense is recognized after being measured on an accrual basis.

INCOME TAXES

Current tax assets and liabilities are measured as the amount that is expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to calculate that amount are those enacted, or substantially enacted, at the reporting date in the countries in which the Group operates and generates its taxable income. Management periodically assesses the position assumed in the income tax return, where tax laws are subject to interpretation, and recognizes provisions, where appropriate.
Any differences between the calculation of taxes in the financial statements and income tax returns or amounts paid or provisioned for direct income tax disputes are presented under the item "Prior years' taxes and other tax payables".
Deferred tax assets and liabilities are recognized in order to reflect the temporary differences between the value attributed to an asset/liability for tax purposes and that attributed based on the accounting standards applied at the reporting date. They are measured using the tax rates that are expected to apply in the year when the assets will be realized or the liabilities will be settled, based on tax rates in force or those already enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses eligible to be carried forward, to the extent it is probable that sufficient future taxable income will be available to permit the use of the deductible temporary differences, unused tax credits and unused tax losses carried forward, except for the cases in which:
- the deferred tax asset related to the deductible temporary differences arises from initial recognition of an asset or liability in a transaction other than a business combination that does not affect accounting or taxable income at the time of the transaction;
- there are deductible temporary differences related to equity investments in subsidiaries, associates and joint ventures. In this case deferred tax assets are recognized solely to the extent it is probable that they will be reversed in the foreseeable future and there will be sufficient taxable income to permit such temporary differences to be recovered.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that there will be sufficient future taxable income to permit all or part of the credit concerned to be used. Unrecognized deferred tax assets are reviewed at each reporting date and are recognized to the extent it has become probable that taxable income will be sufficient to permit such deferred tax assets to be recovered.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:
- the deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that does not affect accounting or taxable income at the time of the transaction;
- reversal of the taxable temporary differences related to equity investments in subsidiaries, associates and joint ventures may be controlled, and it is probable that it will not occur in the foreseeable future.

Tax balances (current and deferred) attributable to amounts recognized directly in equity are also recognized directly in equity.
Current and deferred tax assets and liabilities are offset only when the legal right of offset exists; such amounts are recognized as receivables or payables in the Statement of Financial Position.

The Company has monitored, and continues to monitor, the implementation of the OECD Pillar II in all countries in which the Group operates. Considering the analyses conducted for 2024, the Company has not identified any potential impacts arising from the Global Minimum Tax.

DIVIDENDS

Dividends are recognized when the shareholders' right to receive payment is established under local law.

The Parent recognizes a liability to account for the distribution to its shareholders of cash or non-cash assets once the distribution has been appropriately authorized and is no longer at the Company's discretion. Under current Italian company law, a distribution is authorized when it has been approved by the shareholders. The corresponding amount is recognized directly in equity.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale if their carrying amount will be recovered primarily through sale rather than through continuing use. Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value net of costs to sell. Costs to sell are incremental costs directly attributable to disposal, excluding interest expense and taxes. The conditions for classification as held for sale are only considered to be met when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. The actions required to complete the disposal should indicate that it is unlikely that significant changes to the disposal will be made or that the disposal will be withdrawn. Management must be committed to the disposal, the completion of which must be expected to occur within one year of the classification date. Depreciation of property, plant and equipment and amortization of intangible assets cease when such assets are classified as available for sale. Assets and liabilities classified as held for sale are recognized separately among the current items of the financial statements. Assets held for sale are excluded from result from continuing operations and are presented through profit or loss for the year in a single item as "Net income/(loss) from assets held for sale".

FINANCIAL RISK MANAGEMENT

The Brembo Group is exposed to market, commodity, liquidity and credit risks, all of which are tied to the use of financial instruments.

Financial risk management is the responsibility of the central Treasury & Credit Department of Brembo N.V., which, together with the Group Finance Department, evaluates the main financial transactions and related hedging policies.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices resulting from shifts in exchange rates, interest rates and equity security prices.

Interest Rate Risk

Interest rate risk applies to variable-rate financial instruments recognized in the Statement of Financial Position (particularly short-term bank loans, other loans, leases, bonds, etc.) that are not hedged by other financial instruments.

In order to fix the financial burden relating to a part of its debt, Brembo has mainly entered into fixed-rate financing contracts and interest rate swaps. However, the Company continues to be exposed to interest-rate risk due to the fluctuation of variable rates.

A sensitivity analysis was performed to analyse the effects of a change in interest rates of +/-50 basis points compared to the rates at 31 December 2024 and 31 December 2023, with other variables held constant. The potential impacts were calculated on the variable-rate financial liabilities at 31 December 2024. The aforementioned change in interest rates would result in a higher (or lower) annual net pre-tax expense of approximately €1,660 thousand (€1,463 thousand at 31 December 2023), gross of the tax effect. The average weekly gross financial debt was used to provide the most reliable information possible.

Exchange Rate Risk

Brembo deals in international markets with currencies other than the euro and is therefore exposed to exchange rate risk.

To mitigate this risk, Brembo uses natural hedging (offsetting receivables and payables) and hedges only net positions in foreign currency, using mostly short-term financing denominated in the currency to be hedged, in order to offset any unbalances; currency forward contracts are also used to hedge this risk category.

A sensitivity analysis is provided below to illustrate the effects on pre-tax result arising on a positive (negative) change in exchange rates.

Starting with the exposures at 31 December 2024 and 2023, a change calculated as the standard deviation of the exchange rate with respect to the average exchange rate was applied to the average exchange rates for 2024 and 2023 to measure exchange rate volatility.

Euro against other currencies	Change %	Effect of exchange rate increase	Effect of exchange rate decrease	Change %	Effect of exchange rate increase	Effect of exchange rate decrease
EUR/CNY	1.09%	19.6	(20.0)	2.88%	(388.3)	411.3
EUR/GBP	1.23%	6.7	(6.9)	1.23%	(7.5)	7.6
EUR/JPY	2.63%	(61.3)	64.6	4.75%	100.2	(110.2)
EUR/PLN	0.76%	16.3	(16.5)	2.81%	(27.9)	29.5
EUR/SEK	1.32%	10.0	(10.3)	2.29%	7.2	(7.5)
EUR/USD	1.60%	(318.3)	328.6	1.52%	(199.7)	205.8
EUR/CZK	0.94%	(48.7)	49.7	1.63%	(0.6)	0.7
EUR/CHF	1.84%	(8.6)	8.9	1.70%	(8.2)	8.5
EUR/RUB	4.28%	0.0	0.0	23.11%	121.8	(195.1)
EUR/DKK	0.03%	0.0	0.0	0.09%	(7.0)	7.0
PLN/CNY	1.46%	3.6	(3.7)	5.38%	17.0	(18.9)
PLN/EUR	0.76%	(253.3)	257.1	2.80%	(1.664.3)	1.760.3
PLN/GBP	1.27%	0.2	(0.2)	2.12%	0.0	0.0
PLN/USD	1.84%	(13.7)	14.2	3.66%	(35.4)	38.1
PLN/CZK	1.30%	0.0	0.0	3.86%	2.1	(2.2)
PLN/CHF	2.21%	7.1	(7.4)	1.85%	4.8	(5.0)
GBP/EUR	1.24%	3.6	(3.7)	1.23%	13.5	(13.9)
GBP/USD	1.71%	3.5	(3.6)	2.14%	2.9	(3.0)
GBP/AUD	1.39%	0.0	0.0	3.46%	(0.9)	1.0
USD/CNY	0.95%	11.3	(11.5)	2.64%	(19.4)	20.5
USD/EUR	1.61%	246.6	(254.7)	1.52%	(54.2)	55.9
USD/MXN	7.50%	913.0	(1.061.2)	3.90%	161.4	(174.5)
BRL/EUR	6.25%	32.8	(37.2)	2.40%	13.0	(13.6)

Euro against other currencies	Change %	Effect of exchange rate increase	Effect of exchange rate decrease	Change %	Effect of exchange rate increase	Effect of exchange rate decrease
BRL/USD	6.56%	0.0	0.0	2.92%	4.3	(4.6)
JPY/EUR	2.59%	15.6	(16.4)	4.84%	23.3	(25.7)
JPY/USD	3.31%	2.5	(2.7)	4.89%	3.7	(4.0)
CNY/EUR	1.09%	44.3	(45.3)	2.92%	(14.6)	15.5
CNY/JPY	2.64%	0.1	(0.1)	2.51%	2.6	(2.7)
CNY/USD	0.96%	(109.7)	111.9	2.67%	(189.1)	199.4
INR/EUR	1.44%	(12.5)	12.9	1.38%	7.4	(7.6)
INR/JPY	3.30%	36.5	(39.0)	4.37%	24.9	(27.2)
INR/USD	0.68%	3.0	(3.1)	0.69%	7.9	(8.0)
CZK/EUR	0.95%	642.1	(654.3)	1.63%	462.3	(477.6)
CZK/GBP	1.77%	0.5	(0.5)	2.37%	0.8	(0.8)
CZK/PLN	1.32%	7.2	(7.4)	3.84%	14.1	(15.3)
CZK/USD	1.95%	(26.9)	28.0	2.54%	(2.9)	3.1
DKK/EUR	0.03%	0.1	(0.1)	0.09%	3.8	(3.8)
DKK/JPY	2.62%	(0.1)	0.1	4.69%	(0.1)	0.1
DKK/USD	1.60%	(0.3)	0.3	1.53%	(0.1)	0.1

Commodity Risk

The Group is exposed to changes in prices of main raw materials and commodities. It bears recalling that fixed prices are set in supply contracts with certain commodities suppliers for a given period of time and that the contracts in place with the main customers also provide for automatic periodic indexing on the basis of commodities prices; both these approaches thus mitigate the risk of fluctuations in commodities prices. When it was not possible to take these mitigating measures, derivatives hedging the risk of fluctuations in commodities prices have been implemented, in particular for a little portion of purchases of Brembo Poland Spolka Zo.o.'s exposure to the risk of fluctuation in the price of electricity through a through PPAs (Power Purchase Agreement – Virtual and Physical) derivatives.

Liquidity Risk

Liquidity risk can arise from the inability to obtain the financial resources necessary to guarantee Brembo's operation.

To mitigate liquidity risk, the Treasury & Credit area:

- constantly assesses financial requirements to ensure the appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
- obtains adequate credit lines;
- ensures the appropriate composition of net financial debt, i.e., investments are financed with medium-to-long-term debt (as well as with equity), and net working capital requirements are financed using short-term credit lines;
- includes the Group companies in cash pooling structures to optimize any excess liquidity of participating companies.

The following table provides information on payables, other payables and derivatives broken down by maturity. The maturities are determined based on the period from the reporting date to the expiry of the contractual obligations. The amounts shown in the table reflect undiscounted cash flows and the fair value of existing derivative liabilities.

(euro thousand)	Carrying value	Contractual cash flow	Within 1 year	From 1 to 5 years	Beyond 5 years
Non-derivative financial liabilities:					
Short-term credit lines and bank overdrafts	261,621	261,621	261,621	0	0
Payables to banks (loans and bonds)	737,909	796,142	182,414	602,449	11,279
Payables to other financial institutions	700	703	548	155	0
Lease liabilities	238,492	238,492	93,346	57,289	87,857
Trade and other payables	864,150	864,150	864,150	0	0
Derivative financial liabilities:					
Derivatives	4,181	4,181	1,909	2,518	(246)
Total	**2,107,053**	**2,165,289**	**1,403,988**	**662,411**	**98,890**

For fixed- and variable-rate financial liabilities, both principal and interest were considered for the different maturity periods; for variable-rate liabilities, the rate at 31 December 2024 plus the relevant spread was used.

Some of the Group's loan agreements require the satisfaction of financial covenants and the obligation for the Group to meet certain financial ratio levels.

In detail, the following covenants and relevant maximum thresholds are to be complied with:

- Net financial debt/Gross operating income not exceeding 4.5.

If the covenants are not met, the financial institutions can request early repayment of the relevant loan.
The values of these covenants are monitored at the end of each quarter, and at 31 December 2024 the Group had complied with the covenants in question by a considerable margin.

Management believes that currently available lines of credit, apart from the cash flow generated by operating activities will allow Brembo to meet its financial requirements arising from investing activities, working capital management, and the payment of payables at their natural maturities.
In further detail, at 31 December 2024, unused bank credit facilities accounted for 69% of the total (credit facilities totalled €838.3 million).

Credit Risk

Credit risk is the risk that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk for the Group arises mainly in relation to trade receivables. Most parties with which the Group does business are leading car and motorbike manufacturers with high credit standings.

The Group evaluates the creditworthiness of all new customers using assessments from external sources and then assigns a credit limit.

Fair Value Measurement

To complete the disclosure of financial risks, the following information is provided:

a) the fair value hierarchy for the Group's assets and liabilities:

	31.12.2024				31.12.2023			
(euro thousand)	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:								
Current derivatives	0	91	0	**91**	0	3,152	0	**3,152**
Hedging derivatives:								
Current derivatives	0	23,894	0	**23,894**	0	9,797	0	**9,797**
Non-current derivatives	0	4,565	4,433	**8,998**	0	9,097	11,288	**20,385**
Total financial assets measured at fair value	**0**	**28,550**	**4,433**	**32,983**	**0**	**22,046**	**11,288**	**33,334**
Financial liabilities measured at fair value:								
Current derivatives	0	(1,598)	0	**(1,598)**	0	(160)	0	**(160)**
Hedging derivatives:								
Current derivatives	0	(9)	0	**(9)**	0	0	0	**0**
Non-current derivatives	0	(302)	(2,272)	**(2,574)**	0	0	0	**0**
Total financial liabilities measured at fair value	**0**	**(1,909)**	**(2,272)**	**(4,181)**	**0**	**(160)**	**0**	**(160)**
Assets (liabilities) for which fair value is indicated:								
Current and non-current payables to banks	0	(757,028)	0	**(757,028)**	0	(611,718)	0	**(611,718)**
Current and non-current lease liabilities	0	(238,492)	0	**(238,492)**	0	(171,240)	0	**(171,240)**
Other current and non-current financial liabilities	0	(700)	0	**(700)**	0	(58,685)	0	**(58,685)**
Total assets (liabilities) for which fair value is indicated	**0**	**(996,220)**	**0**	**(996,220)**	**0**	**(841,643)**	**0**	**(841,643)**

b) a reconciliation between the classes of financial assets and liabilities identified in the Group's Statement of Financial Position and the types of financial assets and liabilities identified based on the requirements of IFRS 7:

(euro thousand)	31.12.2024	31.12.2023
Financial assets		
Financial assets at fair value through profit or loss		
Other financial assets at fair value through profit or loss	0	0
Current derivatives	91	3,152
Financial assets at amortized cost		
Other non-current receivables	53,197	40,264
Current trade receivables	631,395	604,877
Other current receivables	94,533	68,299
Cash and cash equivalents	867,216	510,058
Financial assets measured at fair value through other comprehensive income (FVOCI)		
Other financial assets at fair value through other comprehensive income	914	278,446
Hedging derivatives		
Current derivatives	23,894	3,797
Non-current derivatives	8,998	20,385
Total financial assets	**1,680,238**	**1,529,278**
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Current derivatives	(1,598)	(160)
Non-current derivatives	0	0
Financial liabilities measured at amortized cost		
Non-current payables to banks and other financial institutions (excluding lease payables)	(574,391)	(488,295)
Other non-current payables	(2,793)	(3,887)
Current payables to banks and other financial institutions (excluding lease payables)	(425,839)	(330,274)
Trade payables	(697,574)	(742,099)
Other current payables	(166,576)	(150,254)
Lease payables		
Long-term lease liabilities	(145,146)	(149,785)
Current lease payables	(93,346)	(21,455)
Hedging derivatives		
Non-current derivatives	(2,574)	0
Current derivatives	(9)	0
Total financial liabilities	**(2,109,846)**	**(1,886,209)**

The approach used to calculate fair value is the present value of the future cash flows expected to derive from the instrument being measured, determined by discounting the scheduled instalments at a rate equal to the forward rate curve applicable to each account payable. In detail:

- loans and payables to other lenders with a duration of more than 12 months were measured at fair value determined by applying the forward rates curve to the residual duration of the loan;
- receivables, trade payables, held-to-maturity financial assets, and payables and receivables to and from banks due within 12 months were measured at their carrying amounts, inasmuch as this is believed to approximate fair values;
- the fair value of derivatives was determined on the basis of valuation techniques that take into account observable market parameters other than the prices of the financial instrument.

SEGMENT REPORT

Based on the IFRS 8 definition, an operating segment is a component of an entity:

1. that engages in business activities from which it may earn revenues and incur expenses;
2. whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
3. for which discrete financial information is available.

In light of such definition, the Brembo Group's operating segments are five GBUs (Global Business Units): Discs, Systems, Motorbikes, Performance Group, Aftermarket.

Each GBU Director reports to the top management and periodically discusses with them operating activities, financial statements results, forecasts or plans.

The Group thus aggregated the operating segments as follows for the purposes of financial reporting:

1. Discs – Systems – Motorbikes;
2. Aftermarket – Performance Group.

The segments that are included in each aggregate are similar in terms of:

a) the nature of products (braking systems);
b) the nature of production processes (melting process, subsequent processing for finishing and assembly);
c) the type of customers (manufacturers for Group 1 and distributors for Group 2);
d) the methods used to distribute the products (targeted to manufacturers for Group 1 and through distribution chains for Group 2);
e) the economic characteristics (gross manufacturing margin percentage for Group 1 and gross operating income for Group 2).

Transfer prices applied to transactions between segments for the exchange of goods and services are settled according to usual market conditions.

In light of the requirements of IFRS 8 in terms of revenues earned from major customers, where a single customer is defined as all companies that belong to a given Group, Brembo had one customer in the segment Discs/Systems/Motorbikes who, in 2024, accounted for approximately 12% of consolidated net revenues; considering the individual car manufacturers that compose such group, no one of them exceeded this threshold.

The following table shows segment information on sales of goods and services and results at 31 December 2024 and 31 December 2023:

(euro thousand)	Total 31.12.2024	Total 31.12.2023	Discs/Systems/ Motorbikes 31.12.2024	Discs/Systems/ Motorbikes 31.12.2023	Aftermarket/ Performance Group 31.12.2024	Aftermarket/ Performance Group 31.12.2023	Interdivision 31.12.2024	Interdivision 31.12.2023	Non-segment data 31.12.2024	Non-segment data 31.12.2023
Sales	3,930,187	3,933,310	3,231,946	3,330,114	745,405	650,978	(8,834)	(5,994)	(38,330)	(41,788)
Allowances and discounts	(98,245)	(79,817)	(11,568)	(10,434)	(86,675)	(69,377)	0	0	(2)	(6)
Net sales	**3,831,942**	**3,853,493**	**3,220,378**	**3,319,680**	**658,730**	**581,601**	**(8,834)**	**(5,994)**	**(38,332)**	**(41,794)**
Transport costs	30,190	28,557	17,744	18,086	12,409	10,422	0	0	37	49
Variable production costs	2,381,516	2,446,822	2,038,606	2,138,880	389,174	361,741	(8,805)	(5,981)	(37,459)	(47,818)
Contribution margin	**1,420,236**	**1,378,114**	**1,164,028**	**1,162,714**	**257,147**	**209,438**	**(29)**	**(13)**	**(910)**	**5,975**
Fixed production costs	557,673	520,578	518,228	488,474	37,369	30,080	0	0	2,076	2,024
Production gross operating income	**862,563**	**857,536**	**645,800**	**674,240**	**219,778**	**179,358**	**(29)**	**(13)**	**(2,986)**	**3,951**
BU personnel costs	289,362	258,476	171,473	161,358	90,695	74,938	(29)	(12)	27,223	22,192
BU gross operating income	**573,201**	**599,060**	**474,327**	**512,882**	**129,083**	**104,420**	**0**	**(1)**	**(30,209)**	**(18,241)**
Costs for Central Functions	198,227	187,263	145,321	136,756	21,081	18,561	0	0	31,825	31,946
Operating income (loss)	**374,974**	**411,797**	**329,006**	**376,126**	**108,002**	**85,859**	**0**	**(1)**	**(62,034)**	**(50,187)**
Extraordinary costs and revenues	6,395	5,453	0	0	0	0	0	0	6,395	5,453
Financial costs and revenues	(28,898)	(23,375)	0	0	0	0	0	0	(28,898)	(23,375)
Income (expense) from investments	16,335	17,124	0	0	0	0	0	0	16,335	17,124
Non-operating costs and revenues	(2,915)	(18,863)	0	0	0	0	0	0	(2,915)	(18,863)
Result before taxes	**365,891**	**392,136**	**329,006**	**376,126**	**108,002**	**85,859**	**0**	**(1)**	**(71,117)**	**(69,848)**
Taxes	(99,570)	(84,837)	0	0	0	0	0	0	(99,570)	(84,837)
Result before minority interests	**266,321**	**307,299**	**329,006**	**376,126**	**108,002**	**85,859**	**0**	**(1)**	**(170,687)**	**(154,685)**
Minority interests	(3,718)	(2,260)	0	0	0	0	0	0	(3,718)	(2,260)
Net result	**262,603**	**305,039**	**329,006**	**376,126**	**108,002**	**85,859**	**0**	**(1)**	**(174,405)**	**(156,945)**
Group EBITDA	**612,283**	**635,034**	**546,279**	**582,603**	**121,835**	**98,142**	**0**	**0**	**(55,831)**	**(45,711)**

A reconciliation between the annual Consolidated Financial Statements and the above information is provided below:

(euro thousand)	31.12.2024	31.12.2023
Revenue from contracts with customers	**3,840,643**	**3,849,202**
Scrap sales (in the segment report they are subtracted from "Variable production costs")	(27,711)	(27,521)
Differences between internal and statutory reports relating to developments activities	4,849	18,897
Capital gains on sale of equipment (in the Consolidated Financial Statements they are included in "Other revenues and income")	778	422
Effect of adjustment of transactions among consolidated companies	390	(290)
Miscellaneous recharges (in the Consolidated Financial Statements they are included in "Other revenues and income")	1,877	1,653
Other	11,116	11,130
Net sales	**3,831,942**	**3,853,493**

(euro thousand)	31.12.2024	31.12.2023
NET OPERATING INCOME	**393,333**	**414,072**
Differences between internal and statutory reports relating to developments activities	808	16,171
Other differences between internal and statutory reports	(497)	690
Income (expense) from non-financial investments	(16,253)	(17,044)
Claim compensation and subsidies	(4,485)	(4,156)
Capital gains/losses on disposal of assets (in the segment report they are included in "Non-operating costs and revenues")	320	(574)
Different classification of banking expenses (in the segment report they are included in "Financial costs and revenues")	1,374	1,421
Reclassification of Brembo Argentina	0	(62)
Other	374	1,279
OPERATING RESULT	**374,974**	**411,797**

The breakdown of Group sales by geographical area of destination and by application is provided in the paragraph 2.5.1.

Statement of Financial Position data at 31 December 2024 and 31 December 2023 are provided in the tables below:

	Total		Discs/Systems/Motorbikes		Aftermarket/Performance Group		Interdivision		Non-segment data	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Tangible assets	1,774,996	1,522,879	1,619,178	1,377,799	103,349	82,157	5	5	52,464	62,918
Intangible assets	202,413	196,309	176,871	174,268	20,797	19,562	0	0	4,745	2,479
Financial assets and other non-current assets/liabilities	161,983	138,427	548	3,756	0	0	0	0	161,435	134,671
Total fixed assets (A)	**2,139,392**	**1,857,615**	**1,796,597**	**1,555,823**	**124,146**	**101,719**	**5**	**5**	**218,644**	**200,068**
Inventories	638,015	621,359	451,945	461,134	185,198	159,301	0	0	872	924
Current assets	780,800	716,387	560,672	537,329	92,169	75,964	(35,612)	(27,086)	163,571	130,180
Current liabilities	(967,651)	(996,007)	(564,755)	(611,448)	(172,423)	(160,951)	35,612	27,086	(266,085)	(250,694)
Provisions for contingencies and charges and other provisions	(50,205)	(62,275)	(143)	(116)	0	0	0	0	(50,062)	(62,159)
Net working capital (B)	**400,959**	**279,464**	**447,719**	**386,899**	**104,944**	**74,314**	**0**	**0**	**(151,704)**	**(181,749)**
NET INVESTED OPERATING CAPITAL (A + B)	**2,540,351**	**2,137,079**	**2,244,316**	**1,942,722**	**229,090**	**176,033**	**5**	**5**	**66,940**	**18,319**
Extraordinary components	197,175	453,532	0	0	0	0	0	0	197,175	453,532
NET INVESTED CAPITAL	**2,737,526**	**2,590,611**	**2,244,316**	**1,942,722**	**229,090**	**176,033**	**5**	**5**	**264,115**	**471,851**
Total Group equity	2,294,474	2,067,795	0	0	0	0	0	0	2,294,474	2,067,795
Total Minority interests	35,343	31,624	0	0	0	0	0	0	35,343	31,624
Equity (D)	**2,329,817**	**2,099,419**	**0**	**0**	**0**	**0**	**0**	**0**	**2,329,817**	**2,099,419**
Provisions for employee benefits (E)	**47,356**	**36,445**	**0**	**0**	**0**	**0**	**0**	**0**	**47,356**	**36,445**
Medium/long-term financial debt	715,274	628,983	0	0	0	0	0	0	715,274	628,983
Short-term financial debt	(354,921)	(174,236)	0	0	0	0	0	0	(354,921)	(174,236)
Net financial debt (F)	**360,353**	**454,747**	**0**	**0**	**0**	**0**	**0**	**0**	**360,353**	**454,747**
COVERAGE (D + E + F)	**2,737,526**	**2,590,611**	**0**	**0**	**0**	**0**	**0**	**0**	**2,737,526**	**2,590,611**

The following should be noted in regard to the non-segment data:

- intangible assets mainly consist of development costs;
- financial assets are not allocated; they mainly refer to the value of shareholdings in associates, joint ventures and other companies;
- current assets and liabilities mainly consist of trade receivables and payables;
- provisions for contingencies and charges and other provisions are not allocated.

RELATED PARTIES

The Group carries out transactions with parents, subsidiaries, associates, joint ventures, directors, key management personnel and other related parties. The Parent Brembo N.V. is a subsidiary of Nuova FourB S.r.l., which holds 76.56% of voting rights. Brembo did not engage in dealings with its parent in 2024, except for the dividend distribution.

Information pertaining to the compensation paid to Directors and Statutory Auditors of Brembo N.V. and of other Group companies and additional information required is reported in the Explanatory notes to the Separate Financial Statements of Brembo N.V.

Sales of products, supply of services and the transfer of fixed assets between Group companies were carried out at prices reflecting fair market conditions. The trading volumes reflect the internationalization process aimed at constantly improving both operating and organizational standards and optimising synergies within the Company. From a financial standpoint, the subsidiaries operate independently, although some benefit from various forms of centralized financing. Since 2008, a zero-balance cash-pooling system has been effective, with Brembo N.V. as the pool leader. In 2013, an additional cash pooling arrangement was put in place, denominated in CNY, with Brembo Nanjing Brake Systems Co. Ltd. as pooler and Brembo Nanjing Automobile Components Co. Ltd., Qingdao Brembo Trading Co. Ltd., Brembo Huilian (Langfang) Brake Systems Co. Ltd. and Jiaxing Ciju Control Systems Co. Ltd. The cash pooling is entirely based in China, and Citibank China is the service provider.

The following table provides a summary of related party transactions with reference to balances of the Statement of Financial Position and Statement of Income:

	31.12.2024							31.12.2023						
(euro thousand)	Carrying value	Total	Key management personnel	Other companies	Joint ventures	Associates	%	Carrying value	Total	Key management personnel	Other companies	Joint ventures	Associates	%
a) Weight of transactions or positions with related parties on items of the Statement of Financial Position														
Trade receivables	631,395	2,400	7	5	2,297	91	0.4%	604,877	3,121	10	8	2,998	105	0.5%
Other non-current liabilities	(2,793)	0	0	0	0	0	0.0%	(3,887)	(628)	(628)	0	0	0	16.2%
Employee benefits	(47,356)	(11,377)	(13,085)	1,708	0	0	24.0%	(36,445)	(7,151)	(8,395)	1,244	0	0	19.6%
Trade payables	(697,574)	(14,594)	0	(422)	(13,855)	(317)	2.1%	(742,099)	(21,160)	(161)	(3,117)	(17,301)	(581)	2.9%
Other current liabilities	(166,576)	(4,678)	(4,548)	0	(130)	0	2.8%	(150,254)	(3,920)	(3,787)	0	(133)	0	2.6%
b) Weight of transactions or positions with related parties on items of the Statement of Income														
Revenue from contracts with customers	3,840,643	794	0	5	789	0	0.0%	3,849,202	450	0	5	445	0	0.0%
Other revenues and income	47,926	4,493	27	11	4,255	200	9.4%	45,126	4,689	18	9	4,452	210	10.4%
Raw materials, consumables and goods	(1,758,445)	(104,308)	0	(25)	(104,232)	(51)	5.9%	(1,788,322)	(76,706)	0	(11)	(76,300)	(395)	4.3%
Income (expense) from non-financial investments	16,253	16,253	0	0	16,253	0	100.0%	17,044	17,044	0	0	17,044	0	100.0%
Other operating costs	(787,271)	(12,269)	(7,174)	(1,381)	(3,263)	(451)	1.6%	(804,253)	(12,566)	(7,821)	(1,124)	(3,218)	(403)	1.6%
Personnel expenses	(729,547)	(6,332)	(6,235)	(97)	0	0	0.9%	(681,620)	(7,285)	(7,130)	(155)	0	0	1.1%
Net interest income (expense)	(38,573)	(209)	(288)	0	(3)	82	0.5%	(34,328)	248	174	0	(6)	80	-0.7%
Interest income (expense) from investments	11,131	11,048	0	11,048	0	0	99.3%	12,256	12,164	0	12,164	0	0	99.2%

INFORMATION ABOUT THE GROUP

The key figures of Group companies are commented upon in the sections of the Directors' Report on Operations "Group Structure" and "Performance of Brembo Companies".

Company	Headquarters		Share capital		Stake held by group companies	
Brembo N.V.	Bergamo	Italy	Eur	7,007,202		
AP Racing Ltd.	Coventry	United Kingdom	Gbp	135,935	100%	Brembo N.V.
AP Racing North America Corp.	Huntersville, North Carolina	USA	Usd	300,000	100%	AP Racing Ltd.
Brembo Australia Pty Ltd.	Melbourne	Australia	Aus	300,000	100%	Brembo N.V.
Brembo Czech S.r.o.	Ostrava-Hrabová	Czech Republic	Czk	605,850,000	100%	Brembo N.V.
Brembo Deutschland GmbH	Leinfelden-Echterdingen	Germany	Eur	25,000	100%	Brembo N.V.
Brembo France SAS	Paris	France	Eur	50,000	100%	Brembo N.V.
Brembo Inspiration Lab Corp.	Sunnyvale, California	USA	Usd	300,000	100%	Brembo N.V.
Brembo Japan Co. Ltd.	Tokyo	Japan	Jpy	11,000,000	100%	Brembo N.V.
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China	Cny	492,030,169	100%	Brembo N.V.
Brembo North America Inc.	Plymouth, Michigan	USA	Usd	33,798,805	100%	Brembo N.V.
Brembo Poland Spolka Zo.o.	Dąbrowa Górnicza	Poland	Pln	144,879,500	100%	Brembo N.V.
Brembo Poland Manufacturing Sp. Zo.o.	Dąbrowa Górnicza	Poland	Pln	50,000,000	100%	Brembo Poland Spolka Zo.o.
Brembo Poland Heratech Sp. Zo.o.	Dąbrowa Górnicza	Poland	Pln	5,000	100%	Brembo Poland Spolka Zo.o.
Brembo Reinsurance AG	Zürich	Switzerland	Eur	6,148,533	100%	Brembo N.V.
Brembo Russia LLC	Moscow	Russia	Rub	1,250,000	100%	Brembo N.V.
Brembo Scandinavia A.B.	Göteborg	Sweden	Sek	4,500,000	100%	Brembo N.V.
J.Juan S.A.U.	Barcelona	Spain	Eur	150,260	100%	Brembo N.V.
Jiaxing Ciju Control Systems Co. Ltd.	Jiaxing	China	Cny	16,309,640	100%	J.Juan S.A.U.

Company	Headquarters		Share capital		Stake held by group companies	
La.Cam (Lavorazioni Camune) S.r.l.	Stezzano	Italy	Eur	100,000	100%	Brembo N.V.
Qingdao Brembo Trading Co. Ltd.	Qingdao	China	Cny	1,365,700	100%	Brembo N.V.
Brembo (Nanjing) Automobile Components Co. Ltd.	Nanjing	China	Cny	226,565,500	60%	Brembo N.V.
					40%	Brembo Brake India Pvt. Ltd.
SBS Friction A/S	Svendborg	Denmark	Dkk	12,001,000	60%	Brembo N.V.
					40%	Brembo Brake India Pvt. Ltd.
Brembo Mexico S.A. de C.V.	Apodaca	Mexico	Usd	20,428,836	49%	Brembo N.V.
					51%	Brembo North America Inc.
Brembo Brake India Pvt. Ltd.	Pune	India	Inr	140,000,000	99.99%	Brembo N.V.
Brembo do Brasil Ltda.	Betim	Brazil	Brl	159,136,227	99.99%	Brembo N.V.
Brembo Thailand Ltd.	Rayong	Thailand	Thb	273,280,000	99.99%	Brembo N.V.
Corporación Upwards '98 S.A.	Zaragoza	Spain	Eur	498,043	68%	Brembo N.V.
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	Langfang	China	Cny	170,549,133	66%	Brembo N.V.
Shandong BRGP Friction Technology Co. Ltd.	Jinan	China	Cny	124,900,000	50%	Brembo N.V.
Brembo SGL Carbon Ceramic Brakes S.p.A.	Stezzano	Italy	Eur	4,000,000	50%	Brembo N.V.
Brembo SGL Carbon Ceramic Brakes GmbH	Meitingen	Germany	Eur	25,000	100%	Brembo SGL Carbon Ceramic Brakes S.p.A.
Infibra Technologies S.r.l.	Pisa	Italy	Eur	53,133	20%	Brembo N.V.
Petroceramics S.p.A.	Stezzano	Italy	Eur	123,750	20%	Brembo N.V.

INDEPENDENT AUDITORS' FEES

Details on the fees paid to the independent audit firm and other companies within its network are provided below:

	Deloitte Accountants B.V.		Other Deloitte member firms and affiliates	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Independent Auditors' fees for the provision of audit services:				
– to the Parent Brembo N.V.	293	0	246	270
– to the subsidiaries (services provided by the network)	0	0	510	573
Independent Auditors' fees for the provision of auditing services for issuing attestation:				
– to the Parent Brembo N.V.	95	0	35	65
– to the subsidiaries (services provided by the network)	0	0	43	61

COMMITMENTS

Contractual commitments for investments in property, plant and equipment and intangible assets already entered into with third parties at 31 December 2024 and not yet recognized in the Consolidated Financial Statements amounted to €504 million.

POSITIONS OR TRANSACTIONS FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

It is hereby specified that during 2024 the Company did not carry out any atypical and/or unusual transactions, as defined by the said Notice.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

On 2 January 2025, Brembo, further to the announcement made on 11 October 2024, completed the acquisition of a 100% stake in Öhlins Racing, the leading manufacturer of premium, high-performance suspension technology for motorcycles and cars in the Original Equipment, Motorsport, and Aftermarket segments. The value of the transaction corresponds to an enterprise value of $405 million, on a cash free/debt free basis, subject to the customary adjustment mechanisms which will be completed within the next 135 days. The payment of the consideration was made entirely using available cash.

No other significant events occurred after 31 December 2024 and up to 18 March 2025.

5.2.4 ANALYSIS OF EACH ITEM

STATEMENT OF FINANCIAL POSITION

1. PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS

Property, Plant and Equipment

The changes in property, plant and equipment are shown in the table below and described in this section.

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	37,789	467,765	1,767,495	298,789	86,515	138,809	**2,797,162**
Accumulated depreciation	0	(184,504)	(1,168,763)	(252,216)	(63,692)	0	**(1,669,175)**
Write-down provision	0	0	(2,128)	(18)	(10)	(120)	**(2,276)**
Balance at 1 January 2023	**37,789**	**283,261**	**596,604**	**46,555**	**22,813**	**138,689**	**1,125,711**
Changes:							
Translation differences	(598)	(1,944)	(3,631)	241	(854)	(1,948)	**(8,734)**
Reclassifications	0	11,610	51,471	6,527	1,793	(73,664)	**(2,263)**
Additions	10,000	41,948	119,635	22,944	4,695	169,862	**369,084**
Disposals	0	(25)	(314)	(119)	(177)	(23)	**(658)**
Other	11,052	50,087	0	(4,260)	(16)	0	**56,863**
Depreciation	0	(19,988)	(138,746)	(19,994)	(7,024)	0	**(185,752)**
Impairment losses	0	(183)	(236)	(24)	0	(260)	**(703)**
Total changes	**20,454**	**81,505**	**28,179**	**5,315**	**(1,583)**	**93,967**	**227,837**
Historical cost	58,243	569,758	1,922,562	326,205	89,442	233,023	**3,199,233**
Accumulated depreciation	0	(204,816)	(1,295,852)	(270,036)	(68,205)	0	**(1,838,909)**
Write-down provision	0	(176)	(1,927)	(4,299)	(7)	(367)	**(6,776)**
Balance at 31 December 2023	**58,243**	**364,766**	**624,783**	**51,870**	**21,230**	**232,656**	**1,353,548**

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	58,243	569,758	1,922,562	326,205	89,442	233,023	**3,199,233**
Accumulated depreciation	0	(204,816)	(1,295,852)	(270,036)	(68,205)	0	**(1,838,909)**
Write-down provision	0	(176)	(1,927)	(4,299)	(7)	(367)	**(6,776)**
Balance at 1 January 2024	**58,243**	**364,766**	**624,783**	**51,870**	**21,230**	**232,656**	**1,353,548**
Changes:							
Translation differences	1,568	11,841	12,391	210	365	6,942	**33,317**
Reclassifications	(1)	33,730	65,506	8,757	3,046	(116,712)	**(5,674)**
Additions	140	14,826	67,830	22,513	5,860	252,795	**363,964**
Disposals	0	(11)	(1,930)	(789)	(71)	(11)	**(2,812)**
Other	0	0	0	642	0	0	**642**
Depreciation	0	(22,327)	(146,684)	(22,825)	(6,953)	0	**(198,789)**
Impairment losses	0	0	(1,597)	(78)	(3)	(183)	**(1,861)**
Total changes	**1,707**	**38,059**	**(4,484)**	**8,430**	**2,244**	**142,831**	**188,787**
Historical cost	59,950	634,963	2,064,611	356,109	98,273	375,775	**3,589,681**
Accumulated depreciation	0	(231,962)	(1,442,030)	(292,173)	(74,788)	0	**(2,040,953)**
Write-down provision	0	(176)	(2,282)	(3,636)	(11)	(288)	**(6,393)**
Balance at 31 December 2024	**59,950**	**402,825**	**620,299**	**60,300**	**23,474**	**375,487**	**1,542,335**

In 2024, investments in tangible fixed assets amounted to €363,964 thousand, including €252,795 thousand in fixed assets in course of construction.

As already noted in the Report on Operations, the Group continued its development programme. This involved significant investments in Italy, North America, Poland.

Net disposals amounted to €2,812 thousand and refer to the normal cycle of machinery replacement, as it becomes unusable in production processes.

Total depreciation charges for 2024 amounted to €198,789 thousand (2023: €185,752 thousand).

Right of use assets

The following table shows the movements in item "Right of use assets":

(euro thousand)	Land	Buildings	Plant and machinery	Other assets	Total
Historical cost	4,862	288,679	441	36,426	**330,408**
Accumulated depreciation	(533)	(63,877)	(264)	(23,613)	**(88,287)**
Balance at 1 January 2023	**4,329**	**224,802**	**177**	**12,813**	**242,121**
Changes:					
Translation differences	(185)	(3,450)	1	123	**(3,511)**
Reclassification from leased assets to property, plant and equipment	0	(63,672)	0	(6)	**(63,678)**
New contracts/leases for the period	0	14,777	0	5,954	**20,731**
Unwinding of lease contract	0	(359)	0	(94)	**(453)**
Depreciation	(90)	(17,605)	(136)	(8,048)	**(25,879)**
Total changes	**(275)**	**(70,309)**	**(135)**	**(2,071)**	**(72,790)**
Historical cost	4,648	222,769	441	32,495	**260,353**
Accumulated depreciation	(594)	(68,276)	(399)	(21,753)	**(91,022)**
Balance at 1 January 2024	**4,054**	**154,493**	**42**	**10,742**	**169,331**
Changes:					
Translation differences	122	(207)	0	62	**(23)**
New contracts/leases for the period	10,589	68,362	0	10,355	**89,306**
Unwinding of lease contract	0	0	(42)	(29)	**(71)**
Depreciation	(200)	(18,253)	0	(7,429)	**(25,882)**
Total changes	**10,511**	**49,902**	**(42)**	**2,959**	**63,330**
Historical cost	15,388	285,630	0	36,320	**337,338**
Accumulated depreciation	(823)	(81,235)	0	(22,619)	**(104,677)**
Balance at 31 December 2024	**14,565**	**204,395**	**0**	**13,701**	**232,661**

The increases mainly refer to new contracts subscribed by Brembo N.V. for a new building in Stezzano, by Brembo Inspiration Lab. Inc. for the extension of the existing building and by Brembo Thailand Ltd. for the new plant located in the motorcycle industry hub of the country, situated in the Rayong province, south of the capital Bangkok.

Brembo N.V. also increased the right of use of its own property in Stezzano following the decision to proceed with the purchase of the same, which will be completed in early 2025.

Note 13 provides other information on the Group's financial commitment with respect to leased assets.

2. INTANGIBLE ASSETS (DEVELOPMENT COSTS, GOODWILL AND OTHER INTANGIBLE ASSETS)

The changes in this item are shown in the table below and described in this section.

(euro thousand)	Development costs	Goodwill (A)	Intangible assets with indefinite useful lives (B)	Sub-total (A + B)	Industrial patents and similar rights (C)	Other intangible assets (D)	Total other intangible assets (C + D)	Total
Historical cost	**287,214**	123,591	11,332	**134,923**	48,591	193,028	**241,619**	**663,756**
Accumulated amortization	**(178,967)**	0	0	**0**	(36,047)	(127,454)	**(163,501)**	**(342,468)**
Write-down provision	**(6,589)**	(11,686)	(2)	**(11,688)**	(2,589)	0	**(2,589)**	**(20,866)**
Balance at 1 January 2023	**101,658**	**111,905**	**11,330**	**123,235**	**9,955**	**65,574**	**75,529**	**300,422**
Changes:								
Translation differences	**(271)**	(3,629)	(27)	**(3,656)**	41	(1,326)	**(1,285)**	**(5,212)**
Reclassifications	**0**	0	0	**0**	510	648	**1,158**	**1,158**
Additions	**28,910**	0	0	**0**	1,910	12,913	**14,823**	**43,733**
Other	**1**	0	0	**0**	2	0	**2**	**3**
Amortization	**(23,461)**	0	0	**0**	(2,165)	(11,332)	**(13,497)**	**(36,958)**
Impairment losses	**(2,414)**	0	0	**0**	0	0	**0**	**(2,414)**
Total changes	**2,765**	**(3,629)**	**(27)**	**(3,656)**	**298**	**903**	**1,201**	**310**
Historical cost	**315,056**	120,203	11,305	**131,508**	51,252	203,754	**255,006**	**701,570**
Accumulated amortization	**(201,631)**	0	0	**0**	(38,410)	(137,277)	**(175,687)**	**(377,318)**
Write-down provision	**(9,002)**	(11,927)	(2)	**(11,929)**	(2,589)	0	**(2,589)**	**(23,520)**
Balance at 31 December 2023	**104,423**	**108,276**	**11,303**	**119,579**	**10,253**	**66,477**	**76,730**	**300,732**

(euro thousand)	Development costs	Goodwill (A)	Intangible assets with indefinite useful lives (B)	Sub-total (A + B)	Industrial patents and similar rights (C)	Other intangible assets (D)	Total other intangible assets (C + D)	Total
Historical cost	**315,056**	120,203	11,305	**131,508**	51,252	203,754	**255,006**	**701,570**
Accumulated amortization	**(201,631)**	0	0	**0**	(38,410)	(137,277)	**(175,687)**	**(377,318)**
Write-down provision	**(9,002)**	(11,927)	(2)	**(11,929)**	(2,589)	0	**(2,589)**	**(23,520)**
Balance at 1 January 2024	**104,423**	**108,276**	**11,303**	**119,579**	**10,253**	**66,477**	**76,730**	**300,732**
Changes:								
Translation differences	**440**	3,387	12	**3,399**	6	734	**740**	**4,579**
Reclassifications	**140**	0	0	**0**	409	(342)	**67**	**207**
Additions	**31,465**	0	0	**0**	1,796	13,829	**15,625**	**47,090**
Other	**0**	0	0	**0**	8	0	**8**	**8**
Amortization	**(24,928)**	0	0	**0**	(2,368)	(11,367)	**(13,735)**	**(38,663)**
Impairment losses	**(2,528)**	0	0	**0**	0	0	**0**	**(2,528)**
Total changes	**4,589**	**3,387**	**12**	**3,399**	**(149)**	**2,854**	**2,705**	**10,693**
Historical cost	**347,969**	124,164	11,317	**135,481**	53,389	219,205	**272,594**	**756,044**
Accumulated amortization	**(227,427)**	0	0	**0**	(40,696)	(149,874)	**(190,570)**	**(417,997)**
Write-down provision	**(11,530)**	(12,501)	(2)	**(12,503)**	(2,589)	0	**(2,589)**	**(26,622)**
Balance at 31 December 2024	**109,012**	**111,663**	**11,315**	**122,978**	**10,104**	**69,331**	**79,435**	**311,425**

Development costs

Item "Development costs" includes costs for development, internal and external, for a gross historical cost of €347,969 thousand. During the reporting year, this item changed due to higher costs incurred in 2024 for development orders received both during the year and in previous years, for which additional development costs were incurred; amortization amounting to €24,928 thousand was recognized for development costs associated with orders regarding products that have already entered production.

The gross amount includes development activities for projects underway totalling €56,654 thousand. The total amount of costs for capitalized internal works charged to the Statement of Income in item "Costs for capitalized internal works" during the year amounted to €31,497 thousand (2023: €28,601 thousand).

Impairment losses totalled €2,528 thousand and are recognized in the Statement of Income under "Amortization, depreciation and impairment losses." Impairment losses refer to development costs incurred mainly by the Parent, Brembo N.V., in relation to projects that, consistent with the desire of the customer or Brembo, were not completed or underwent changes in terms of their end destination.

Goodwill

Item "Goodwill" arose from business combinations and the ensuing allocation to the following GCUs:

(euro thousand)	31.12.2024	31.12.2023
Discs - Systems - Motorbikes:		
Brembo North America Inc. (Hayes Lemmerz)	16,430	15,447
Brembo México S.A. de C.V. (Hayes Lemmerz)	1,000	940
Brembo Nanjing Brake Systems Co. Ltd.	923	892
Brembo Brake India Pvt. Ltd.	7,404	7,165
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	44,396	42,882
SBS Friction A/S	20,690	20,703
J.Juan group	6,296	6,296
After Market - Performance Group:		
Corporación Upwards '98 (Frenco S.A.)	2,006	2,006
AP Racing Ltd.	12,518	11,945
Total	**111,663**	**108,276**

The change compared to 31 December 2023 was attributable to the change in consolidation exchange rates.

CGUs are typically identified as the business being acquired and therefore tested for impairment. If the asset being tested for impairment refers to businesses operating in multiple business lines, it is attributed to all business lines in existence at the date of acquisition; this approach is consistent with valuations carried out at the acquisition date, which are typically based on the estimated recoverable amount of the entire investment.

Intangible assets with indefinite useful lives

This item includes €1,030 thousand related to the Villar trademark, owned by the subsidiary Corporación Upwards '98 S.A., €1,317 thousand to the SBS Friction trademark, €8,585 thousand to the J.Juan trademark and €383 thousand to the trademark LF of Brembo Huilian (Langfang) Brake Systems Co. Ltd.

Impairment test

The Group conducts an impairment test at year-end and whenever there are indicators of impairment losses. The Group's impairment test on goodwill and intangible assets with indefinite useful lives is based on value in use.

Among the various indicators of impairment losses, the Group considers the relationship between its market capitalization and equity, which at 31 December 2024 did not show any indicators of impairment losses.

Future cash flows used for the calculation are based on management's most recent operating and financial plans. In particular, in defining the future cash flows reference was made to:

- the Group's 2025 Budget approved by the Board of Directors on 30 January 2025;
- the Group's 2026-2028 Industrial Plan approved by the Board of Directors on 30 July 2024;

which both reflect the current expectations regarding economic conditions and market trends as well as the Company's initiatives for the period covered by the projections.

The main assumptions that determined the test outcome were:

- the Group's rate (Group WACC) of 8.91% (9.79% in 2023). The change compared to the previous year was mainly due to the decrease in the intrest rates;
- a growth rate (g-rate) used in determining terminal value of 1.5% (1.5% in 2023).

The previously mentioned impairment tests did not indicate the need to recognize any impairment loss in the reporting year.

After having performed the base tests, according to the calculation for each CGU, the sensitivity analyses were conducted. In the event of a change in the WACC from 8.91% to 9.91%, in the growth rate from 1.5% to 1% or a decline in sales volumes/margins of 5%-10% over the plan period, no impairment loss would be required.

In addition to the foregoing, the Group analysed the presence of impairment indicators on the various CGUs that do not present goodwill recognized or fixed assets with indefinite useful lives. However, for these CGUs, the impairment test for Property, plant, equipment and other equipment, Right of use assets, Development costs and Other intangible assets is only required when such indicators are present.

In the reporting year, impairment indicators were identified with reference to Brembo Czech S.r.o. The impairment test and sensitivity analyses on the above CGU did not identify any risks of impairment (for methodology, reference is made to what is stated above with regard to goodwill).

Despite including considerable investments relating to sustainability objectives in its financial plans, Brembo has introduced an additional sensitivity scenario for its flows (at both Group level and GBU level), designed to reflect its carbon neutrality goals. Accordingly, cash outflows were simulated, both during the explicit period and in the estimate of terminal value, which simulate the cost of neutralising CO_2 emissions (Scope 1) on the basis of the market values that would be incurred to neutralize them. Impairment tests did not indicate the need to recognize any impairment loss in the reporting year.

Other intangible assets

Acquisitions recognized under "Other intangible assets" totalled €15,625 thousand and refer for €1,796 thousand to the filing of specific patents and trademarks, and for the remaining amount mainly to the share of the investment for the reporting year associated with the development of the Group's Digital Transformation plan.

3. SHAREHOLDINGS VALUED USING THE EQUITY METHOD (ASSOCIATES AND JOINT VENTURES)

This item includes the Group's share of equity in companies that are valued using the equity method. The following table shows all relevant movements:

(euro thousand)	31.12.2023	Acquisitions and new shareholdings	Exchange rate fluctuations	Write-ups/ Write-downs	Dividends	Other changes	31.12.2024
Brembo SGL Carbon Ceramic Brakes Group	53,707	0	0	16,045	(15,000)	81	54,833
Shandong BRGP Friction Technology Co. Ltd.	4,393	2,733	221	208	0	0	7,555
Petroceramics S.p.A.	1,294	0	0	117	0	(6)	1,405
Infibra Technologies S.r.l.	793	0	0	(35)	0	(10)	748
Total	**60,187**	**2,733**	**221**	**16,335**	**(15,000)**	**65**	**64,541**

It should be noted that the impact on the Statement of Income of investments valued using the equity method refers to two items: "Income (expense) from non-financial investments", attributable to the effect of the valuation using the equity method of the BSCCB Group and the company Shandong BRGP Friction Technology Co. Ltd., and "Interest income (expense) from investments", attributable to the valuation of associates using the equity method.

The following is a breakdown of the assets, liabilities, costs and revenues referring to joint ventures and associates.

Joint ventures

	Brembo Group SGL Carbon Ceramic Brakes		Shandong BRGP Friction Technology Co. Ltd.	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Revenue from contracts with customers	**267,811**	**254,789**	**33,720**	**12,596**
Other revenues and income	4,146	5,090	796	(8)
Raw materials, consumables and goods	(85,717)	(79,171)	(21,901)	(8,616)
Other operating costs	(61,296)	(61,524)	(2,636)	(1,738)
Personnel expenses	(65,998)	(58,410)	(4,935)	(2,790)
Gross operating income	**58,946**	**60,774**	**5,044**	**(556)**
Depreciation, amortization and impairment losses	(13,100)	(11,395)	(2,254)	(1,190)
Net operating income	**45,846**	**49,379**	**2,790**	**(1,746)**
Net interest income (expense)	(1,043)	107	(723)	(623)
Result before taxes	**44,803**	**49,486**	**2,067**	**(2,369)**
Taxes	(12,820)	(13,554)	(380)	589
Group net result	**31,983**	**35,932**	**1,687**	**(1,780)**
% ownership	*50%*	*50%*	*50%*	*50%*
Other consolidation adjustments	53	(32)	(636)	0
Group net result	**16,045**	**17,934**	**208**	**(890)**
Property, plant, equipment and other equipment	103,228	71,246	14,215	9,982
Right-of-use assets	39,092	11,566	8,846	8,389
Other intangible assets	419	196	138	113
Other non-current financial assets	131	131	0	0
Receivables and other non-current assets	973	950	0	0
Deferred tax assets	3,682	3,690	464	582
Total non-current assets	**147,525**	**87,779**	**23,663**	**19,066**
Inventories	44,960	39,918	1,645	999
Trade receivables	23,211	34,541	7,772	5,404
Other receivables and current assets	12,773	6,873	1,471	1,917
Other current financial assets	2	6	0	0
Cash and cash equivalents	9,444	4,551	13,158	3,046
Total current assets	**90,390**	**85,889**	**24,046**	**11,366**
Total assets	**237,915**	**173,668**	**47,709**	**30,432**

	Brembo Group SGL Carbon Ceramic Brakes		Shandong BRGP Friction Technology Co. Ltd.	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Share capital	4,000	4,000	16,470	10,547
Other reserves	24,993	34,765	0	0
Reserve for cumulative traslation adjustment	0	0	45	43
Retained earnings/(losses)	46,934	31,068	0	0
Retained earning/(losses) carried forward	0	0	(1,821)	(24)
Net result for the period	31,983	35,932	1,687	(1,780)
Total equity	**107,910**	**105,765**	**16,381**	**8,786**
Non-current payables to banks	20,000	0	5,064	4,891
Long-term lease liabilities	36,422	9,833	9,466	8,558
Other non-current liabilities	1,899	1,667	0	0
Non-current provisions	1,276	2,954	0	0
Employee benefits	3,180	2,971	0	0
Deferred tax liabilities	26	0	0	0
Total non-current liabilities	**62,803**	**17,425**	**14,530**	**13,449**
Current payables to banks	16,340	1,712	0	193
Short-term lease liabilities	3,541	2,405	324	261
Trade payables	35,663	31,059	15,841	7,489
Tax payables	586	2,060	252	0
Other current liabilities	11,072	13,242	381	254
Total current liabilities	**67,202**	**50,478**	**16,798**	**8,197**
Total liabilities	**130,005**	**67,903**	**31,328**	**21,646**
Total equity and liabilities	**237,915**	**173,668**	**47,709**	**30,432**
% ownership	*50%*	*50%*	*50%*	*50%*
Goodwill	1,033	1,033		0
Other consolidation adjustments	(155)	(209)	(636)	0
Carrying value of Group shareholding	**54,833**	**53,707**	**7,555**	**4,393**

Associates

(euro thousand)	Petroceramics S.p.A. 31.12.2024	Petroceramics S.p.A. 31.12.20223	Infibra Technologies S.r.l. 31.12.2024	Infibra Technologies S.r.l. 31.12.20223
Revenue from contracts with customers	2,905	2,316	302	606
Net result for the year	**586**	**454**	**(175)**	**(54)**
% ownership	*20%*	*20%*	*20%*	*20%*
Group net result	**117**	**91**	**(35)**	**(11)**
Total current assets	5,562	5,120	505	775
Total non-current assets	3,108	3,160	290	278
Total current liabilities	1,355	1,512	61	81
Total non-current liabilities	288	299	116	129
Total equity	**7,027**	**6,469**	**618**	**843**
% ownership	*20%*	*20%*	*20%*	*20%*
Other consolidation adjustments	0	0	624	624
Carrying value of Group shareholding	**1,405**	**1,294**	**748**	**793**

4. INVESTMENTS IN OTHER COMPANIES, DERIVATIVES AND OTHER NON-CURRENT FINANCIAL ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Investments in other companies measured at fair value	914	278,446
Investments in other companies measured at cost	2,727	1,686
Derivatives measured at fair value	8,998	20,385
Other securities	53	447
Other	2,512	2,464
Total	**15,204**	**303,428**

The item "Investments in other companies measured at fair value" consisted of the fair value of the 10.33% interest held in E-Novia S.p.A. amounting to €914 thousand. The change in value compared to 31 December 2023 was mainly due to the sale of the entire stake of ordinary shares of Pirelli & C. S.p.A. Brembo placed 55,800,000 Pirelli ordinary shares to institutional investors, equal to approximately 5.58% of the Company's issued share capital, at a price of € 5.07 per share for €282,906 thousands booked at fair value through other comprehensive income.

"Investments in other companies measured at cost" also includes the 10% interest in International Sport Automobile S.àr.l. and the 1.20% interest in Fuji Co. The change of €1,041 thousand on 31 December 2023 was attributable to the Parent's interest in consortium funds intended for research for €45 thousand and to the acquisition of a the 2.11% in Spoke Safety, a U.S. startup specializing in the development of digital communication technologies between vehicles and the road ecosystem, for €996 thousand.

The item "Derivatives" refers for €4,433 thousand to the fair value of derivative assets relating to a specific financial transaction hedging against the risk of fluctuation in the electricity price undertaken in 2021 by Brembo Poland Sp.Zo.o. and for €4,565 thousand to the non-current portion of the fair value of two IRSs entered into directly by the Parent Brembo N.V., for a remaining notional amount of €50 million and €175 million, respectively, at 31 December 2024, hedging the change in interest rate risk associated with a specific outstanding loan. These IRSs fall within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2023 was recognized as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

"Other" includes interest-free security deposits for utilities and car rental agreements.

5. RECEIVABLES AND OTHER NON-CURRENT ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Other non-current assets	47,870	35,634
Income tax receivables	5,024	6,075
Non-income tax receivables	34	34
Total	**52,928**	**41,743**

Item "Other non-current assets" refers to contributions towards clients for the acquisition of long-term exclusive supply arrangements, which were released to the Statement of Income in accordance with the supply schedule for the clients.

Income tax receivables mainly refer to tax credits that can be used beyond one year, granted on the purchase of new property, plant and equipment, and other tax credits for which refunds have been requested.

6. DEFERRED TAX ASSETS AND LIABILITIES

The net balance of deferred tax assets and liabilities is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Deferred tax assets	109,284	97,661
Deferred tax liabilities	(25,202)	(30,956)
Total	**84,082**	**66,705**

Deferred tax assets and liabilities were generated mainly due to temporary differences for capital gains with deferred taxation, other income items subject to future deductions or taxation, prior years' tax losses and other consolidation adjustments.

Movements for the year are reported in the following table:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**66,705**	**32,607**
Deferred tax liabilities generated	(376)	(1,364)
Deferred tax assets generated	15,341	29,328
Use of deffered tax assets and liabilities	(4,446)	(1,520)
Exchange rate fluctuations	2,262	(1,735)
Other movements	4,596	9,389
Balance at end of period	**84,082**	**66,705**

The nature of temporary differences that generated deferred tax assets and liabilities is detailed below:

	Assets		Liabilities		Net	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Property, plant, equipment and other equipment	29,210	44,182	25,757	25,172	3,453	19,010
Development costs	4,369	2,517	416	340	3,953	2,177
Goodwill and other indefinite useful life assets	115	246	2,356	2,356	(2,241)	(2,110)
Other intangible assets	602	530	8,082	9,063	(7,480)	(8,533)
Equity shareholdings	0	38	0	803	0	(765)
Other financial assets	2,042	0	111	99	1,931	(99)
Trade receivables	6,168	6,074	0	0	6,168	6,074
Inventories	20,621	18,657	0	0	20,621	18,657
Other receivables and current assets	69	86	7,483	6,860	(7,414)	(6,774)
Financial liabilities	64	56	2,258	4,460	(2,194)	(4,404)
Other financial liabilities	11,908	8,696	236	159	11,672	8,537
Provisions	8,544	7,651	172	695	8,372	6,956
Provisions for employee benefits	11,365	9,088	1,523	1,435	9,842	7,653
Short/long-term lease liabilities	53	699	0	0	53	699
Trade payables	203	160	0	0	203	160
Cash and cash equivalents	10	10	0	0	10	10
Other liabilities	19,660	13,628	1,177	1,218	18,483	12,410
Other	13,387	461	6,385	8,838	7,002	(8,377)
Tax losses	11,648	15,424	0	0	11,648	15,424
Compensation balance	(30,754)	(30,542)	(30,754)	(30,542)	0	0
Total	**109,284**	**97,661**	**25,202**	**30,956**	**84,082**	**66,705**

Item "Tax losses" refers to deferred tax assets on losses for the previous years recognized by Brembo Czech S.r.o. (€6,678 thousand), J.Jaun S.A.U. (€2,314 thousand), Brembo do Brasil Ltd. (€2,060 thousand) and SBS Friction A/S (€596 thousand), considering there to be a basis for the future recoverability of the tax assets in light of updated strategic plans.

It should also be noted that:

- unrecognized deferred tax assets of Brembo do Brasil Ltda. — calculated on prior years' losses (BRL 63 million) eligible to be unlimitedly carried forward — amounted to BRL 21.42 million;
- unrecognized deferred tax assets of J.Juan S.A.U. — calculated on prior years' losses (€8,488 thousand) eligible to be unlimitedly carried forward — amounted to €2,122 thousand;
- Brembo Czech Sro. has three tax incentive plans, one of CZK 133.1 million (expiring in 2026), one of CZK 63.8 million (expiring in 2029) and another of CZK 367.0 million (expiring in 2031), on which the company did not recognize any deferred tax assets;
- at 31 December 2024, deferred tax liabilities of €5,975 thousand were recognized on profits of subsidiaries, associates or joint ventures which the Group considers may be distributed in the foreseeable future;
- at 31 December 2024, the temporary differences between the Parent's share of the net assets of the subsidiary, associate or investee company, including the book value of goodwill, and the value of the investment or shareholding (cost) (as indicated in §38 of IAS 12) amounted to €1,321 million and were considered to be permanently reinvested, since these provisions are used to fund current transactions and future business growth in those countries in which the same subsidiary resides; as a result, no deferred tax liability was recognized on the taxable portion of such differences.

7. INVENTORIES

A breakdown of net inventories, which are stated net of the inventory write-down provision, is shown below:

(euro thousand)	31.12.2024	31.12.2023
Raw materials	249,033	228,060
Work in progress	123,415	148,749
Finished products	216,357	196,547
Goods in transit	49,505	48,341
Total	**638,310**	**621,697**

The change compared to 31 December 2023 was attributable to the higher cost of raw materials and greater volumes, as well as to a policy aimed at increasing the supply of inventories in order to tackle any supply chain-related risks. Movements in the inventory write-down provision are reported in the following table:

(euro thousand)	31.12.2024	31.12.2023
Balance at the beginning of period	**76,913**	**77,073**
Provisions	26,336	16,021
Use/Release	(15,375)	(16,267)
Exchange rate fluctuations	733	77
Reclassification	(112)	9
Balance at end of period	**88,495**	**76,913**

The inventory write-down provision was determined in order to align the cost of inventories to their estimated realisable value; the provision increased due to higher depreciation calculated on obsolete goods as a result of faster renewal of product ranges.

8. TRADE RECEIVABLES

At 31 December 2024, the balance of account receivables from customers compared to the end of the previous year was as follows:

(euro thousand)	31.12.2024	31.12.2023
Receivables from customers	629,007	601,774
Receivables from associates and joint ventures	2,388	3,103
Total	**631,395**	**604,877**

The increase in trade receivables is mainly due to higher overdue receivables, which in any case did not entail any criticality.

The bad debt risk is not concentrated in any one area, as the Group has a client portfolio spread across the various geographical areas in which it operates.

Account receivables from customers are recognized net of the provision for bad debts, which amounted to €17,946 thousand. Movements in the provision for bad debts are shown below:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**8,455**	**7,285**
Provisions	11,273	2,734
Use/Release	(1,822)	(2,164)
Exchange rate fluctuations	40	148
Reclassifications	0	452
Balance at end of period	**17,946**	**8,455**

The increase of provision is related to legal restructuring proceeding with self-administration of a primary listed OE producer.

The Brembo Group's maximum credit risk exposure is the book value of the gross financial assets recognized in the financial statements, net of any amounts offset in accordance with IAS 32 and any impairment losses recognized in accordance with IFRS 9.
It bears noting that Brembo has no credit insurance contracts as its credit risk is modest since its main business partners are leading car and motorbike manufacturers with high credit standing.

To mitigate commercial credit risk towards third parties, the Group applies procedures for assessing their financial solidity. These involve an analysis of the last three annual financial statements available, with the assignment of the relevant rating and commercial credit limit. Operating credit management is entrusted to a dedicated team that performs thorough checks on past-due accounts, involving the Sales Departments to which the customers are assigned as necessary.

To express the creditworthiness of financial assets the Group has elected to distinguish between clients who are listed or not listed on the stock exchange. Listed clients are those listed on a stock market, directly or indirectly controlled by a listed company or closely connected to listed companies.

(euro thousand)	31.12.2024	31.12.2023
Listed clients	539,604	516,571
Unlisted clients	109,737	96,761
Total	**649,341**	**613,332**

The following table provides details on trade receivables that have not been adjusted for impairment, broken down by maturity.

Listed clients

(euro thousand)	31.12.2024	Write-down 2024	31.12.2023	Write-down 2023
Current	466,543	3,260	485,074	0
Expired by up 30 days	17,590	716	4,567	0
Overdue from 31 to 60 days	16,871	915	9,162	0
Overdue more than 60 days	38,600	8,737	17,768	5,815
Total	**539,604**	**13,628**	**516,571**	**5,815**
% ratio of expired receivables not written down to total exposure	*11.6%*		*5.0%*	
Total expired receivables, not written down	**62,693**		**25,682**	

Unlisted clients

(euro thousand)	31.12.2024	Write-down 2024	31.12.2023	Write-down 2023
Current	96,389	0	82,496	0
Expired by up 30 days	2,447	0	4,296	0
Overdue from 31 to 60 days	3,730	0	3,052	32
Overdue more than 60 days	7,171	4,318	6,917	2,608
Total	**109,737**	**4,318**	**96,761**	**2,640**
% ratio of expired receivables not written down to total exposure	*8.2%*		*12.0%*	
Total expired receivables, not written down	**9,030**		**11,625**	

Expired receivables from listed clients mainly refer to primary OE customers (they also include the already mentioned credit under restructuring proceeding with self-administration of a primary OE producer); the repayment plans of the expired receivables, that have not been written down, were almost fully set at the beginning of 2025.

With regard to the portion of expired receivables from unlisted clients that have not been written down, most of this amount has already been collected in the first months of 2025.

9. OTHER RECEIVABLES AND CURRENT ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Income tax receivables	45,878	29,338
Non-income tax receivables	63,247	39,224
Other receivables	28,551	25,977
Total	**137,676**	**94,539**

Item "Income tax receivables" includes the receivable recognized by the Parent in prior years in relation to the application of an IRES refund, concerning the non-deductibility for IRAP purposes of personnel expenses, and other applications for IRES and IRAP refund, besides the R&D tax credit.

Item "Non-income tax receivables" primarily includes the VAT receivables of subsidiaries located in Poland and México.

Item "Other receivables" includes dividends to be received by investees and advances paid to suppliers for goods and services, as well as other accrued income.

10. DERIVATIVES AND OTHER CURRENT FINANCIAL ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Other securities	395	0
Derivatives measured at fair value	23,985	12,949
Security deposits	2,636	2,969
Other receivables	99	128
Total	**27,115**	**16,046**

The item "Derivatives" refers for €5,276 thousand to the current portion of the fair value of two IRSs entered into directly by the Parent Brembo N.V., for a remaining notional amount of €50 million and €175 million, respectively, at 31 December 2024, hedging the change in interest rate risk associated with a specific outstanding loan. These IRSs fall within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2023 was recognized as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

The item also includes the fair value of derivative assets relating to hedging through currency forwards for €18,709 thousand.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

(euro thousand)	31.12.2024	31.12.2023
Bank and postal account	867,066	509,935
Cash-in-hand and cash equivalents	150	123
Total cash and cash equivalents	**867,216**	**510,058**
Payables to banks: overdrafts	(261,621)	(164,191)
Cash and cash equivalents from the Statement of Cash Flow	**605,595**	**345,867**

The items listed above can be converted readily into cash and are not exposed to a significant risk that their value may change. It is deemed that the book value of cash and cash equivalents approximates their fair value at the reporting date. Cash is on deposit with credit institutions whose ratings are constantly monitored in order to select only financially sound counterparties.

The increase is mainly due to the sale of the share of Pirelli S.p.A., as mentioned in note 4.

In addition to the amount recognized in the Statement of Cash Flows, it should be noted that interest paid in the year totalled €52,804 thousand (€36,668 thousand in 2023). This interest does not include the €11,332 thousand positive differentials on the IRSs entered into to hedge against the change in interest-rate risk on the variable-rate loans.

12. EQUITY

Group consolidated equity at 31 December 2024 increased by €226,679 thousand compared to 31 December 2023. For further details, reference should be made to the paragraph "Significant events during the year". Movements are given in the relevant statement within the Consolidated Financial Report.

Share capital

The issued share capital amounted to €7,007 thousand at 31 December 2024. The table below shows the composition of the share capital and the number of shares outstanding at 31 December 2024:

	Issued share capital (€)	No. of shares making up the share capital	No. of voting rights
Ordinary shares	3,339,222.50	333,922,250	333,922,250
Special Voting Shares A (*)	91,354.12	9,135,412	9,135,412
Special Voting Shares B (*)	3,576,625.42	178,831,271	357,662,542
Total shares outstanding	**7,007,202.04**	**521,888,933**	**700,720,204**

(*) For further information on the share capital, please see the Brembo website: **Share Capital | Brembo Corporate**.

As part of its buy-back plan, in the first semester Brembo bought back 4,387,303 ordinary own shares (€57,456 thousand), which, together with the 10,664,557 ordinary own shares already held, represent 4.51% of the ordinary own shares.

Statutory reserve

The statutory reserve, created in 2024 from share capital decrease, is aimed to generate a reserve for future issued of special voting share, without any need to amend the Articles of Association.

Other reserves and retained earnings/(losses)

The General Shareholders' Meeting of the Parent Brembo N.V. held on 23 April 2024 approved the Financial Statements for the financial year ended 31 December 2023, allocating net income for the year amounting to €139,265,254.39 as follows:
- to the Shareholders, a gross ordinary dividend of €0.30 per ordinary share outstanding, excluding own shares;
- the remaining amount carried forward.

Minority interests

This item changed due to dividends paid to minority shareholders, as well as to the change in consolidation differences.

13. FINANCIAL DEBT AND DERIVATIVES

This item is broken down as follows:

(euro thousand)	31.12.2024 Due within one year	Due after one year	Total	31.12.2023 Due within one year	Due after one year	Total
Payables to banks:						
– overdrafts	261,621	0	261,621	164,191	0	164,191
– loans	163,673	574,236	737,909	108,078	487,615	595,693
Total	**425,294**	**574,236**	**999,530**	**272,269**	**487,615**	**759,884**
Lease liabilities	93,346	145,146	238,492	21,455	149,785	171,240
Payables to other financial institutions	545	155	700	58,005	680	58,685
Derivatives measured at fair value	1,607	2,574	4,181	160	0	160
Total	**95,498**	**147,875**	**243,373**	**79,620**	**150,465**	**230,085**

The following table provides a breakdown of "Payables to banks":

(euro thousand)	Amount at 31.12.2023	Amount at 31.12.2024	Portion due within one year	Portion due between 1 and 5 years	Portion due after 5 years
Loans:					
BNL loan (€100 million)	75,288	50,143	25,149	24,994	0
BNL loan (€ 200 million)	205,009	174,849	49,930	124,919	0
Banca Popolare di Sondrio loan (€125 million)	88,237	62,939	25,445	37,494	0
ISP loan (€100 milion)	74,754	49,882	24,924	24,958	0
Banca Popolare di Sondrio loan (€150 million)	149,786	149,849	37,439	112,410	0
Mediobanca loan (€100 million)	0	99,761	0	88,656	11,105
Mediobanca loan (€150 million)	0	149,840	140	149,700	0
Bankiter loan (€2 million)	797	274	274	0	0
Banco Sabadell loan (€500 thousand)	170	43	43	0	0
Santander loan (€2 million)	354	51	51	0	0
Santander loan (€600 thousand)	52	0	0	0	0
Santander 2020 loan (€2 million)	689	174	174	0	0
Caixbank loan (€1 million)	354	104	104	0	0
BBVA loan (€2 million)	203	0	0	0	0
Total loans	**595,693**	**737,909**	**163,673**	**563,131**	**11,105**

The most significant transactions finalized in 2024 includes the full draw-down of two medium-term loans of €100,000 thousand and €150,000 thousand contracted with Mediobanca.

It should be noted that several loans require compliance with certain financial covenants. At the end of the reporting year, all of these covenants had been met. The current level of covenants allows the Group to benefit from a safety margin that does not entail the need to reclassify financial payables subject to such covenants as short-term financial payables. At 31 December 2024, there were no financial payables secured by collateral.

The following table shows the breakdown of "Other financial liabilities".

(euro thousand)	Amount at 31.12.2023	Amount at 31.12.2024	Portion due within one year	Portion due between 1 and 5 years	Portion due after 5 years
Other financial liabilities:					
Payables to other financial institutions:					
Libra loan	648	391	260	131	0
Payable due to liquidation of shares subject to withdrawal	57,456	0	0	0	0
Ministerio Industria España	500	257	257	0	0
Ministerio de Ciencia e Innovación	81	52	28	24	0
Total payables to other financial institutions	**58,685**	**700**	**545**	**155**	**0**
Lease liabilities	**171,240**	**238,492**	**93,346**	**57,289**	**87,857**
Total other financial liabilities	**229,925**	**239,192**	**93,891**	**57,444**	**87,857**

At 31 December 2023, Brembo N.V. recognized a payable to the shareholders that validly exercized the right of withdrawal. Debt was repaid on 31 January 2024. For further information, reference should be made to section "Significant events during the year".

With regard to payments relating to optional lease renewal periods not included in the calculation of liabilities at 31 December 2024, € 44,676 thousand of lease instalments, relating solely to properties and due beyond five years, were not subject to discounting.

The following table shows the structure of loans towards banks and other financial institutions, broken down by annual interest rate and currency:

(euro thousand)	31.12.2024 Fixed rate	Variable rate	Total	31.12.2023 Fixed rate	Variable rate	Total
Euro	325,997	412,612	738,609	341,246	313,132	654,378

The average variable rate applicable to the Group's debt is 4.66% and the average fixed rate is 1.60%.

The item "Derivatives" includes the fair value relating to hedging through currency forward for €1,598 thousand and for €2,272 thousand to the fair value of derivative liability relating to a specific financial transaction hedging against the risk of fluctuation in the electricity price undertaken in 2024 by Brembo Poland Sp.Zo.o. It refers also for €311 thousand to the fair value of one IRS entered into directly by the Parent Brembo N.V., for a remaining notional amount of €100 million hedging the change in interest rate risk associated with a specific outstanding loan. This IRS falls within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2023 was recognized as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

At 31 December 2024, IRS derivatives had an overall positive fair value of €9,530 thousand, entirely recognized in a cash flow hedge reserve, gross of tax effects.

Changes in the Cash Flow Hedge Reserve, gross of tax effects, are as follows:

(euro thousand)	31.12.2024	31.12.2023
Opening value	**(29,873)**	**(75,643)**
Change in fair value reserve	(16,246)	28,288
Change in reserve for payment/ collection of differentials	15,932	17,482
Closing value	**(30,187)**	**(29,873)**

Net financial debt

The following table shows the reconciliation of the net financial debt at 31 December 2024 (€360,353 thousand) and at 31 December 2023 (€454,768 thousand) based on the layout prescribed by ESMA 32-382-1138 Guidelines of 4 March 2021:

	(euro thousand)	31.12.2024	31.12.2023
A	Cash	867,216	510,058
B	Cash equivalents	0	0
C	Other current financial assets	8,497	16,046
D	**Liquidity (A + B + C)**	**875,713**	**526,104**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	357,119	243,811
F	Current portion of non-current financial debt	163,673	108,078
G	**Current financial debt (E + F)**	**520,792**	**351,889**
H	**Net current financial debt (G - D)**	**(354,921)**	**(174,215)**
I	Non-current financial debt (excluding current portion and debt instruments)	715,274	628,983
J	Debt instruments	0	0
K	Trade payables and other non-current payables	0	0
L	**Non-current financial debt (I + J + K)**	**715,274**	**628,983**
M	**Total financial debt (H + L)**	**360,353**	**454,768**

The various components that gave rise to the change in net financial debt during the current year are presented in the Statement of Cash Flows in the Directors' Report.

Item "Non-current financial debt (excluding the current portion and debt instruments)" includes the non-current component of IRS derivatives amounting to €4,565 thousand.

Pursuant to IAS 7 — Statement of Cash Flows, changes in liabilities arising from financing activities are reported below. The table allows a reconciliation of the cash flows recognized in the Statement of Cash Flows in the Directors' Report and the total changes in the year of the Statement of Financial Position items that contribute to financial debt.

			Non-cash flow				
(euro thousand)	31.12.2022	Cash flows	Acquisitions	Exchange rate delta	FV	Other movements	31.12.2023
Loans and payables to other financial institutions	545,669	44,633	0	0	0	64,076	654,378
Lease liabilities	241,196	(92,590)	16,054	(3,545)	0	10,125	171,240
Derivatives measured at fair value	3,586	0	0	0	(3,426)	0	160
Total liabilities from financing activities	**790,451**	**(47,957)**	**16,054**	**(3,545)**	**(3,426)**	**74,201**	**825,778**

			Non-cash flow				
(euro thousand)	31.12.2023	Cash flows	Acquisitions	Exchange rate delta	FV	Other movements	31.12.2024
Loans and payables to other financial institutions	654,378	83,612	0	0	0	619	738,609
Lease liabilities	171,240	(28,607)	60,534	1,399	0	33,926	238,492
Derivatives measured at fair value	160	0	0	0	4,021	0	4,181
Total liabilities from financing activities	**825,778**	**55,005**	**60,534**	**1,399**	**4,021**	**34,545**	**981,282**

14. OTHER NON-CURRENT LIABILITIES

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Social security payables	103	1,887
Payables to employees	2,689	2,000
Other payables	1	0
Total	**2,793**	**3,887**

15. PROVISIONS

This item is broken down as follows:

	31.12.2024			31.12.2023		
(euro thousand)	Provisions for contingencies and charges	Provision for product guarantees	Total	Provisions for contingencies and charges	Provision for product guarantees	Total
Balance at beginning of period	**19,052**	**14,766**	**33,818**	**9,557**	**16,042**	**25,599**
Provisions	3,256	4,287	7,543	7,563	4,253	11,816
Use/Release	(9,305)	(7,888)	(17,193)	(4,143)	(5,331)	(9,474)
Exchange rate fluctuations	(56)	(47)	(103)	151	(198)	(47)
Other	1,738	0	1,738	5,924	0	5,924
Balance at the end of year	**14,685**	**11,118**	**25,803**	**19,052**	**14,766**	**33,818**
of which short-term			***5,365***			***9,638***

Provisions totalled €25,803 thousand, including a €11,118 thousand provision for product warranties for probable future costs linked to contractual warranties, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway, as well as an estimate of liabilities that could arise as a result of tax litigation in place.

16. EMPLOYEE BENEFITS

Group companies provide post-employment benefits through defined contribution plans or defined benefit plans.
In the case of defined contribution plans, the Group companies pay contributions to public or private insurance institutes based on legal or contractual obligations or on a voluntary basis. Once such contributions have been paid, the companies have no further payment obligations.
Defined contribution plans include a plan relating to Brembo Huilian (Langfang) Brake Systems Co. Ltd. and reserved for 17 early retired employees, who have guaranteed monthly payments until they reach pension age.
The employees of the UK subsidiary AP Racing Ltd. have the benefit of a corporate pension plan (AP Racing Pension Scheme), which is made up of two sections: the first is a defined contribution plan for employees hired after 1 April 2001, and the second is a defined benefit plan for those already in service at 1 April 2001 (and previously covered by the AP Group Pension Fund). The defined benefit plan is funded by employer and employee contributions made to a trustee that is legally separate from the enterprise providing benefits to its employees.
Brembo México S.A. de C.V., Brembo Japan Co. Ltd. and Brembo Brake India Pvt. Ltd. offer to their employees specific pension plans that qualify as defined benefit plans.
Defined benefit plans include also the "Employees' leaving entitlement" provided by the Group's Italian companies, in accordance with current applicable regulations.
The value of defined benefit plans is calculated on an actuarial basis using the "Projected Unit Credit Method".
Item "Other employee benefits" includes the liability associated with the 2022-2024 three-year incentive plan reserved for top managers, to be settled in May 2025.

Liabilities at 31 December 2024 are given in the table below:

	31.12.2024					31.12.2023				
(euro thousand)	Employees' leaving entitlement	Defined benefit plans	Defined contribution plans	Other long-term benefits	Total	Employees' leaving entitlement	Defined benefit plans	Defined contribution plans	Other long-term benefits	Total
Balance at beginning of period	**12,598**	**4,232**	**614**	**19,001**	**36,445**	**12,350**	**3,698**	**924**	**7,114**	**24,086**
Provisions	0	906	5,046	11,269	17,221	0	802	3,060	12,156	16,018
Use/Release	(813)	(447)	(4,808)	(556)	(6,624)	(838)	(1,202)	(3,365)	0	(5,405)
Interest expense	406	357	0	535	1,298	478	305	0	(214)	569
Exchange rate fluctuations	0	(477)	18	112	(347)	0	237	(5)	(55)	177
Other	(35)	(602)	0	0	(637)	608	392	0	0	1,000
Balance at the end of year	**12,156**	**3,969**	**870**	**30,361**	**47,356**	**12,598**	**4,232**	**614**	**19,001**	**36,445**

Defined benefit plans

	Unfunded plan (employees' leaving entitlement)		Funded Plan (AP Racing plan)		Brembo México plan		Brembo Brake India plan		Brembo Japan plan	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
A. Change in defined benefit obligation										
1. Defined benefit obligation at end of prior year	**12,598**	**12,350**	**25,509**	**24,701**	**3,697**	**2,718**	**2,124**	**1,827**	**307**	**307**
2. Service cost:										
Current service cost	0	0	0	0	584	514	286	238	32	21
3. Interest expense	406	478	1,231	1,237	315	268	147	130	3	3
4. Cash flows:										
Benefit payments from plan	0	0	(1,080)	(878)	0	0	(11)	(16)	0	0
Benefit payments from employer	(813)	(838)	0	0	(266)	(62)	(39)	(37)	(30)	(4)
Other significant events:										
6. Remeasurements:										
Effects of changes in demographic assumptions	0	0	(726)	(541)	0	0	0	(131)	0	0
Effects of changes in financial assumptions	(35)	608	(2,273)	441	(119)	27	65	144	0	0
Effects of experience adjustments (changes occurred since the previous measurement not in line with assumptions)	0	0	191	42	(225)	(110)	27	54	0	0
7. Effect of changes in foreign exchange rates	0	0	1,178	507	(460)	342	79	(85)	(10)	(26)
8. Defined benefit obligations at end of year	**12,156**	**12,598**	**24,030**	**25,509**	**3,526**	**3,697**	**2,678**	**2,124**	**302**	**301**

		Unfunded plan (employees' leaving entitlement)		Funded Plan (AP Racing plan)		Brembo México plan		Brembo Brake India plan		Brembo Japan plan	
(euro thousand)		31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
B.	**Change in fair value of plan assets**										
1.	**Fair value of plan assets at end of prior year**	**0**	**0**	**26,753**	**25,293**	**0**	**0**	**651**	**562**	**0**	**0**
2.	Interest income	0	0	1,292	1,291	0	0	47	42	0	0
3.	Cash flows:										
	Total employer contributions:										
	- employer contributions	0	0	0	951	0	0	113	85	0	0
	- employer direct benefit payments	815	838	0	0	266	62	41	37	0	0
	Benefit payments from plan	0	0	(1,080)	(878)	0	0	(11)	(16)	0	0
	Benefit payments from employer	(815)	(838)	0	0	(266)	(62)	(41)	(37)	0	0
5.	Remeasurements:										
	Return on plan assets (excluding interest income)	0	0	(2,466)	(427)	0	0	4	9	0	0
6.	Effect of changes in foreign exchange rates	0	0	1,239	523	0	0	25	(31)	0	0
7.	**Fair value of plan assets at end of year**	**0**	**0**	**25,738**	**26,753**	**0**	**0**	**829**	**651**	**0**	**0**
E.	**Amounts recognized in the Statement of Financial Position**										
1.	Defined benefit obligation	12,156	12,598	24,030	25,509	3,526	3,697	2,678	2,124	302	301
2.	Fair value of plan assets	0	0	25,738	26,753	0	0	829	651	0	0
3.	Funded status	12,156	12,598	(1,708)	(1,244)	3,526	3,697	1,849	1,473	302	301
5.	**Net liability (asset)**	**12,156**	**12,598**	**(1,708)**	**(1,244)**	**3,526**	**3,697**	**1,849**	**1,473**	**302**	**301**
F.	**Components of defined benefit cost**										
1.	Service cost:										
	a. Current service cost	0	0	0	0	584	514	286	238	32	21
	e. Total service cost	*0*	*0*	*0*	*0*	*584*	*514*	*286*	*238*	*32*	*21*
2.	Net interest expense:										
	Interest expense on defined benefit plans	406	478	1,231	1,237	315	268	147	130	3	3
	Interest (income) on plan assets	0	0	(1,292)	(1,291)	0	0	(47)	(42)	0	0
	Total net interest expense	*406*	*478*	*(61)*	*(54)*	*315*	*268*	*100*	*88*	*3*	*3*
3.	Remeasurement on other long-term benefits	0	0	0	0	0	0	4	(48)	0	0
5.	Defined benefit cost included in P&L	406	478	(61)	(54)	899	782	390	278	35	24
6.	Remeasurements (recognized in Other Comprehensive Income)										

(euro thousand)	Unfunded plan (employees' leaving entitlement)		Funded Plan (AP Racing plan)		Brembo México plan		Brembo Brake India plan		Brembo Japan plan	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Effects of changes in demographic assumptions	0	0	(726)	(541)	0	0	0	(31)	0	0
Effects of changes in financial assumptions	(35)	608	(2,273)	441	(119)	27	40	89	0	0
Effects of experience adjustments (changes occurred since the previous measurement not in line with assumptions)	0	0	191	42	(225)	(110)	49	57	0	0
Return on plan assets (excluding interest income)	0	0	2,466	427	0	0	(5)	(9)	0	0
Total remeasurements included in OCI	*(35)*	*608*	*(342)*	*369*	*(344)*	*(83)*	*84*	*106*	*0*	*0*
7. Total defined benefit cost recognized in P&L and OCI	**371**	**1,086**	**(403)**	**315**	**555**	**699**	**474**	**384**	**35**	**24**
G. Net defined benefit liability (asset) reconciliation										
1. Net defined benefit liability (asset)	12.598	12.350	(1.244)	(592)	3.697	2.718	1.473	1.265	307	307
2. Defined benefit cost included in P&L	406	478	(61)	(54)	899	782	390	278	35	24
3. Total remeasurements included in OCI	(35)	608	(342)	369	(344)	(83)	84	106	0	0
4. Other significant events										
5. Cash flows:										
Employer contributions	0	0	0	(951)	0	0	(113)	(85)	0	0
Employer direct benefit payments	(813)	(838)	0	0	(266)	(62)	(39)	(37)	(30)	(4)
7. Effect of changes in foreign exchange rates	0	0	(61)	(16)	(460)	342	54	(54)	(10)	(26)
8. Net defined benefit liability (asset) at end of year	**12.156**	**12.598**	**(1.708)**	**(1.244)**	**3.526**	**3.697**	**1.849**	**1.473**	**302**	**301**
H. Defined benefit obligation										
1. Defined benefit obligation by participant status:										
Actives	12,156	12,584	0	0	3,526	3,697	2,678	2,124	0	0
Vested deferred	0	0	10,272	12,641	0	0	0	0	0	0
Retirees	0	0	13,758	12,868	0	0	0	0	0	0
Total	**12,156**	**12,584**	**24,030**	**25,509**	**3,526**	**3,697**	**2,678**	**2,124**	**0**	**0**
I. Plan assets										
1. Fair value of plan assets										
Cash and cash equivalents	0	0	1,425	158	0	0	0	0	0	0
Equity instruments	0	0	3,936	8,410	0	0	0	0	0	0

	Unfunded plan (employees' leaving entitlement)		Funded Plan (AP Racing plan)		Brembo México plan		Brembo Brake India plan		Brembo Japan plan	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Debt instruments	0	0	3,163	4,071	0	0	0	0	0	0
Derivatives	0	0	15,257	8,461	0	0	0	0	0	0
Investment funds	0	0	1,957	5,653	0	0	0	0	0	0
Assets held by insurance company	0	0	0	0	0	0	829	651	0	0
Total	**0**	**0**	**25,738**	**26,753**	**0**	**0**	**829**	**651**	**0**	**0**
2. Fair value of assets that have quoted market prices										
Cash and cash equivalents	0	0	1,425	158	0	0	0	0	0	0
Equity instruments	0	0	3,936	8,410	0	0	0	0	0	0
Debt instruments	0	0	3,163	4,071	0	0	0	0	0	0
Derivatives	0	0	15,257	8,461	0	0	0	0	0	0
Investment funds	0	0	1,957	5,653	0	0	0	0	0	0
Total	**0**	**0**	**25,738**	**26,753**	**0**	**0**	**0**	**0**	**0**	**0**
J. Significant actuarial assumptions										
Weighted-average assumptions to determine benefit obligations										
1. Discount rates	3.30%	3.40%	5.55%	4.80%	11.00%	9.25%	6.90%	7.30%	0.50%	0.50%
2. Duration used to set the discount rate (years)	N/A	N/A	13.00	15.00	9.09	10.08	8.87	8.85	N/A	N/A
3. Rate of salary increase	0.00%	N/A	N/A	N/A	4.50%	4.50%	10.00%	10.00%	N/A	N/A
4. Pension increase rate	0.00%	N/A	3.00%	3.00%	0.00%	0.00%	0.00%	0.00%	2.50%	2.50%
5. Rate of price inflation	1.80%	2.00%	3.20%	3.20%	3.50%	3.50%	0.00%	0.00%	0.00%	0.00%
Weighted-average assumptions to determine defined benefit cost										
1. Discount rates	3.40%	4.10%	4.80%	5.00%	9.25%	9.25%	7.30%	7.60%	0.50%	0.50%
2. Rate of salary increase	0.00%	N/A	N/A	N/A	4.50%	4.50%	10.00%	9.00%	N/A	N/A
3. Pension increase rate	0.00%	N/A	3.00%	3.10%	0.00%	0.00%	0.00%	0.00%	N/A	N/A
4. Rate of price inflation	2.00%	2.40%	3.20%	3.30%	3.50%	3.50%	0.00%	0.00%	0.00%	0.00%
K. Sensitivity analysis										
Present value of defined benefit obligation										
Discount rate -25 basis points	12,482	12,938	24,757	26,353	3,472	3,771	2,724	2,161	N/A	N/A
Discount rate +25 basis points	11,807	12,240	23,341	24,709	3,422	3,601	2,639	2,094	N/A	N/A

	Unfunded plan (employees' leaving entitlement)		Funded Plan (AP Racing plan)		Brembo México plan		Brembo Brake India plan		Brembo Japan plan	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Rate of salary increase -25 basis points	12,139	12,584	24,031	25,509	3,379	3,614	2,645	2,100	N/A	N/A
Rate of salary increase +25 basis points	12,139	12,584	24,031	25,509	3,514	3,757	2,717	2,156	N/A	N/A
% impact on the defined benefit obligation										
Discount rate -25 basis points	2.82%	2.82%	3.02%	3.31%	0.76%	2.35%	1.62%	1.60%	0.00%	0.00%
Discount rate +25 basis points	-2.74%	-2.74%	-2.87%	-3.14%	-0.69%	-2.27%	-1.57%	-1.55%	0.00%	0.00%
Rate of salary increase -25 basis points	0.00%	0.00%	0.00%	0.00%	-1.94%	-1.92%	-1.32%	-1.31%	0.00%	0.00%
Rate of salary increase +25 basis points	0.00%	0.00%	0.00%	0.00%	2.00%	1.97%	1.35%	1.34%	0.00%	0.00%
Change in defined benefit obligation										
Discount rate -25 basis points	342	354	726	843	26	87	43	34	N/A	N/A
Discount rate +25 basis points	(332)	(344)	(690)	(801)	(24)	(84)	(42)	(33)	N/A	N/A
Rate of salary increase -25 basis points	0	0	0	0	(67)	(71)	(35)	(28)	N/A	N/A
Rate of salary increase +25 basis points	0	0	0	0	69	73	36	28	N/A	N/A
Duration of defined benefit obligation (in years)										
Weighted average duration of defined benefit obligation (in years)	22.17	11.49	13.00	15.00	9.09	10.08	9.32	9.13	N/A	N/A

By applying a uniform change in the discount rate by +/-25 basis points, the consolidated liabilities would have been respectively lower/higher by approximately €1.29 million compared to the base liabilities value of €42.5 million. The average duration of the plans is 12.01 years.

17. TRADE PAYABLES

At 31 December 2024, trade payables were as follows:

(euro thousand)	31.12.2024	31.12.2023
Trade payables	683,402	724,217
Payables to associates and joint ventures	14,172	17,882
Total	**697,574**	**742,099**

18. TAX PAYABLES

This item reflects the net amount due for the current taxes of the Group's companies.

(euro thousand)	31.12.2024	31.12.2023
Tax payables	11,719	11,560

19. CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

At 31 December 2024, this item was broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Tax payables other than current tax	15,607	12,190
Social security payables	30,288	25,048
Payables to employees	79,227	78,081
Contract liabilities	80,347	75,461
Other payables	41,454	34,935
Total	**246,923**	**225,715**

Item "Contract liabilities" refers to grants received by customers towards development activities suspended until the conclusion of the development activity and then recognized over the useful lives of the products to which the grants refer (2024: €17,010 thousand).

CONSOLIDATED STATEMENT OF INCOME

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

The item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Revenue from sales of brake systems	3,773,756	3,788,929
Revenue from equipment	32,332	33,435
Revenue from study and design acivities	33,700	25,205
Revenue from royalties	855	1,633
Total	**3,840,643**	**3,849,202**

The breakdown of Group sales by geographical area of destination and by application is provided in the Directors' Report.

21. OTHER REVENUES AND INCOME

This item is made up of:

(euro thousand)	31.12.2024	31.12.2023
Miscellaneous recharges	7,178	9,788
Gains on disposal of assets	2,491	1,228
Miscellaneous grants	27,853	29,316
Other revenues	10,404	4,794
Total	**47,926**	**45,126**

The item "Miscellaneous grants" refers to grants for personnel training, research and development projects and the purchase of new capital goods. Moreover, in 2024 Brembo N.V. and Brembo Poland Spolka Zo.o. recognized €21,024 thousand for grants relating to electricity and gas.

22. COSTS FOR CAPITALIZED INTERNAL WORKS

This item refers to the capitalization of development costs incurred during the year, amounting to €31,497 thousand (2023: €28,601 thousand).

23. COST OF RAW MATERIALS, CONSUMABLES AND GOODS

The item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Purchase of raw materials, semi-finished and finished products	1,580,922	1,599,569
Purchase of consumables	177,523	188,753
Total	**1,758,445**	**1,788,322**

The change compared to 2023 is attributable to a policy aimed at increasing supplies in order to tackle any supply chain-related risks.

24. INCOME (EXPENSE) FROM NON-FINANCIAL INVESTMENTS

Income (expense) from non-financial investments amounted to €16,253 thousand and was attributable to the effects of valuing the investment in the BSCCB Group and the company Shandong BRGP Friction Technology Co. Ltd. using the equity method (€17,044 thousand in 2023).

25. OTHER OPERATING COSTS

These costs are broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Transports	98,337	93,693
Maintenance, repairs and utilities	259,577	308,788
Contracted work	158,437	153,379
Leases	47,948	37,592
Other operating costs	222,972	210,801
Total	**787,271**	**804,253**

Item "Other operating costs" mainly includes the costs of travels, quality-related costs and insurance costs, as well as fees for legal, technical and commercial consulting.

26. PERSONNEL EXPENSES

Breakdown of personnel expenses is as follows:

(euro thousand)	31.12.2024	31.12.2023
Wages and salaries	509,332	467,540
Social security contributions	112,917	103,362
Employees' leaving entitlement and other personnel provisions	18,582	15,875
Other costs	88,716	94,843
Total	**729,547**	**681,620**

Item "Other costs" refers for €55,703 thousand (€63,247 thousand in 2023) to the cost of the agency workers incurred by the Group.

The average number and the year-end number of Group employees by category were as follows:

	Managers	White-collars	Blue-collars	Total
2024: average	**174**	**4,276**	**9,764**	**14,214**
2023: average	162	3,975	9,344	**13,481**
Changes	12	301	420	**733**
Total at 31.12.2024	**184**	**4,352**	**9,812**	**14,348**
Total at 31.12.2023	162	4,109	9,383	**13,654**
Changes	22	243	429	**694**

The number of agency workers at 31 December 2024 was 1,113 (1,999 at 31 December 2023).

Please note that no employees work at companies with registered offices in the Netherlands, as the Group's actual and operating headquarter continues to be located in Italy.

27. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

The item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Amortization of intangible assets:		
Development costs	24,928	23,461
Industrial patents and similar rights for original work	1,553	1,355
Licenses, trademarks and similar rights	815	810
Other intangible assets	11,367	11,332
Total	**38,663**	**36,958**
Depreciation of property, plant and equipment:		
Buildings	22,327	19,988
Plant and machinery	146,684	138,746
Industrial and commercial equipment	22,825	19,994
Other assets	6,953	7,024
Right of use assets	25,882	25,879
Total	**224,671**	**211,631**
Imparment losses:		
Property, plant and equipment	1,861	703
Intangible assets	2,528	2,414
Total	**4,389**	**3,117**
Total amortization, depreciation and impairment losses	**267,723**	**251,706**

Comments on impairment losses are provided in the notes to the Statement of Financial Position items.

28. NET INTEREST INCOME (EXPENSE)

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Exchange rate gains	294,896	147,358
Interests income from employee's entitlement indemnity and other personnel provisions	1,339	1,332
Interest income	23,549	21,899
Total interest income	**319,784**	**170,589**
Exchange rate losses	(307,404)	(161,309)
Interests expense from employee's leaving entitlement and other personnel provisions	(2,102)	(2,115)
Lease interest expense	(5,155)	(5,448)
Interest expense	(43,696)	(36,045)
Total interest expense	**(358,357)**	**(204,917)**
Total net interest income (expense)	**(38,573)**	**(34,328)**

Items "Exchange rate gains" and "Exchange rate losses" include the effects of the management of foreign exchange hedges undertaken through forward contracts for a negative amount of € 7,143 thousand. For contracts of this type, the Company does not opt to apply hedge accounting pursuant to IFRS 9 since there is no formal designation of the hedged item and hedging instrument, in the belief that the representation of the impact of the strategy for hedging this risk on the Statement of Income and Statement of Financial Position is nonetheless assured.

Net exchange differences as at 31 December 2024, amounting to a negative €12,508 thousand (negative for €13,951 thousand at 31 December 2023), relate mainly to the effect of translation into local currency of accounts receivable and payable in foreign currencies included in the financial statements of foreign subsidiaries.

29. INTEREST INCOME (EXPENSE) FROM INVESTMENTS

Net interest income from investments (excluding non-financial investments described in Note 24) amounted to €11,131 thousand (€12,256 thousand in 2023), and was mainly attributable to the dividends received by investees not included in the consolidation area and, for the remainder, to the effects of valuing investments in associates using the equity method.

30. TAXES

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Current taxes	105,048	110,759
Deferred taxes (assets) and liabilities	(10,519)	(26,444)
Prior years' taxes and other tax payables	5,041	522
Total	**99,570**	**84,837**

The following is a reconciliation of theoretical and actual tax burden:

(euro thousand)	31.12.2024	31.12.2023
Theoretical income taxes	85,161	91,119
Prior years' taxes	942	(347)
Other differences	34,822	7,282
Tax incentive effects	(5,660)	(17,917)
Unallocated DTA effect	(170)	(1,316)
DTA adjustment effect	(21,843)	(396)
Current and deferred taxes (excluding IRAP)	**93,252**	**78,425**
Current and deferred IRAP	6,318	6,412
Total	**99,570**	**84,837**

The Group's actual tax rate is 27.2%, compared with a theoretical tax rate of 25.0% (at 31 December 2023: actual tax rate was 21,6%; theoretical tax rate was 24.9%).

31. EARNINGS PER SHARE

Basic earnings per share were €0.82 at 31 December 2024 (€0.94 at 31 December 2023), and were calculated by dividing the net income or loss for the year attributable to holders of ordinary equity instruments of the Parent by the weighted average number of ordinary shares outstanding in 2024, amounting to 319,230,990 (2023: 323,640,100). Diluted earnings per share are identical to basic earnings per share inasmuch as no diluting transactions were undertaken.

32 STATEMENT OF COMPREHENSIVE INCOME

The Statement of Comprehensive Income includes:

- the fair value measurement of the interests in Pirelli S.p.A. and E-Novia S.p.A., net of the tax effect, positive for €4,729 thousand (positive for €50,885 thousand in 2023);
- the fair value measurement of derivatives, net of the tax effect, positive for €4,113 thousand (negative for €39,239 thousand in 2023);
- the actuarial value on defined benefit plans, net of the tax effect, positive for €542 thousand (negative for €816 thousand in the previous year);
- the change in the translation adjustment reserve positive for €51,408 thousand (negative for €7,293 thousand in 2023).

FOR 50 YEARS, THE CHEQUERED FLAG HAS BEEN WAVING FOR US.

The year that has just ended has also given us huge satisfaction. In 2024, we crossed the finish line first on tracks and dirt roads around the world, bringing the number of world titles won to 700. And in 2025, we will celebrate an important anniversary: 50 years of our presence and success in the racing world.

5.3 FINANCIAL STATEMENTS OF BREMBO N.V. AT 31 DECEMBER 2024

5.3.1 STATEMENT OF FINANCIAL POSITION OF BREMBO N.V.

Assets

(euro)	Notes	31.12.2024	31.12.2023	Change
NON-CURRENT ASSETS				
Property, plant and equipment	1	278,072,083	274,551,752	3,520,331
Right-of-use assets	1	91,535,779	61,200,639	30,335,140
Development costs	2	91,159,684	85,970,114	5,189,570
Other intangible assets	2	38,981,774	32,449,726	6,532,048
Shareholdings	3	527,139,770	484,701,671	42,438,099
Investments in other companies	4	3,640,939	280,132,257	(276,491,318)
Financial derivatives	4	4,565,347	9,096,560	(4,531,213)
Other non-current financial assets	4	69,360	49,267	20,093
Receivables and other non-current assets	5	4,768,533	5,792,574	(1,024,041)
Deferred tax assets	6	21,378,437	14,408,831	6,969,606
TOTAL NON-CURRENT ASSETS		**1,061,311,706**	**1,248,353,391**	**(187,041,685)**
CURRENT ASSETS				
Inventories	7	198,328,753	196,015,759	2,312,994
Trade receivables	8	286,733,883	272,291,826	14,442,057
Other receivables and current assets	9	42,037,995	29,967,125	12,070,870
Financial derivatives	10	23,984,970	12,948,610	11,036,360
Other current financial assets	10	243,097,357	245,736,501	(2,639,144)
Cash and cash equivalents	11	604,747,852	235,902,654	368,845,198
TOTAL CURRENT ASSETS		**1,398,930,810**	**992,862,475**	**406,068,335**
TOTAL ASSETS		**2,460,242,516**	**2,241,215,866**	**219,026,650**

Note: Following the relocation of the Company in the Netherlands, data at 31 December 2023 have been restated.

Equity and liabilities

(euro)	Notes	31.12.2024	31.12.2023	Change
EQUITY				
Issued share capital	12	7,007,202	34,727,914	(27,720,712)
Share premium	12	26,650,263	26,650,263	0
Legal reserve	12	130,296,844	27,493,611	102,803,233
Treasury shares	12	(90,424,725)	(90,424,725)	0
Statutory reserve	12	27,720,712	0	27,720,712
Other reserve and retained earnings/(losses)	12	705,570,290	748,371,242	(42,800,952)
Net result for the year	12	163,751,872	139,265,254	24,486,618
TOTAL EQUITY		**970,572,458**	**886,083,559**	**84,488,899**
NON-CURRENT LIABILITIES				
Non-current payables to banks	13	574,236,442	486,967,305	87,269,137
Long-term lease liabilities	13	18,336,552	57,855,157	(39,518,605)
Financial derivatives	13	302,492	0	302,492
Other non-current financial payables	13	130,647	390,214	(259,567)
Other non-current liabilities	14	0	1,788,371	(1,788,371)
Non-current provisions	15	6,355,171	9,570,090	(3,214,919)
Employee benefits	16	38,254,697	28,850,698	9,403,999
TOTAL NON-CURRENT LIABILITIES		**637,616,001**	**585,421,835**	**52,194,166**
CURRENT LIABILITIES				
Current payables to banks	13	164,717,597	110,845,069	53,872,528
Short-term lease liabilities	13	76,999,546	6,524,190	70,475,356
Financial derivatives	13	1,606,532	159,589	1,446,943
Other current financial payables	13	194,917,520	205,479,609	(10,562,089)
Trade payables	17	246,878,929	286,052,547	(39,173,618)
Tax payables	18	0	1,350,531	(1,350,531)
Current provisions	15	5,263,586	9,468,852	(4,205,266)
Contract liabilities	19	79,529,650	74,741,542	4,788,108
Other current liabilities	19	82,140,697	75,088,543	7,052,154
TOTAL CURRENT LIABILITIES		**852,054,057**	**769,710,472**	**82,343,585**
TOTAL LIABILITIES		**1,489,670,058**	**1,355,132,307**	**134,537,751**
TOTAL EQUITY AND LIABILITIES		**2,460,242,516**	**2,241,215,866**	**219,026,650**

5.3.2 STATEMENT OF INCOME OF BREMBO N.V.

(euro)	Notes	31.12.2024	31.12.2023	Change
Revenue from contracts with customers	20	1,253,763,673	1,265,172,639	(11,408,966)
Other revenues and income	21	75,622,069	66,772,783	8,849,286
Costs for capitalized internal works	22	24,971,435	21,446,203	3,525,232
Raw materials, consumables and goods	23	(537,187,285)	(537,255,448)	68,163
Other operating costs	24	(319,513,164)	(326,439,514)	6,926,350
Personnel expenses	25	(296,831,487)	(289,096,510)	(7,734,977)
GROSS OPERATING INCOME		**200,825,241**	**200,600,153**	**225,088**
Depreciation, amortization and impairment losses	26	(79,271,046)	(73,889,647)	(5,381,399)
NET OPERATING INCOME		**121,554,195**	**126,710,506**	**(5,156,311)**
Interest income	27	52,057,105	44,954,616	7,102,489
Interest expense	27	(57,571,351)	(50,615,643)	(6,955,708)
Net interest income (expense)	27	(5,514,246)	(5,661,027)	146,781
Interest income (expense) from investments	28	84,510,893	50,709,010	33,801,883
RESULT BEFORE TAXES		**200,550,842**	**171,758,489**	**28,792,353**
Taxes	29	(36,798,970)	(32,493,235)	(4,305,735)
NET RESULT FOR THE YEAR		**163,751,872**	**139,265,254**	**24,486,618**

5.3.3 STATEMENT OF COMPREHENSIVE INCOME OF BREMBO N.V.

(euro)	31.12.2024	31.12.2023	Change
NET RESULT FOR THE YEAR	**163,751,872**	**139,265,254**	**24,486,618**
Other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the year:			
Effect of actuarial income/(loss) on defined benefit plans	33,901	(596,572)	630,473
Tax effect	(8,136)	143,177	(151,313)
Fair value measurement of investments	3,926,142	51,503,400	(47,577,258)
Tax effect	802,687	(618,041)	1,420,728
Total other comprehensive income/(losses) that will not be subsequently reclassified to income/(loss) for the year	**4,754,594**	**50,431,964**	**(45,677,370)**
Other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the year:			
Effect of hedge accounting (cash flow hedge) of derivatives	9,441,104	(12,941,397)	22,382,501
Tax effect	2,202,445	3,105,935	(903,490)
Total other comprehensive income/(losses) that will be subsequently reclassified to income/(loss) for the year	**11,643,549**	**(9,835,462)**	**21,479,011**
COMPREHENSIVE RESULT FOR THE YEAR	**180,150,015**	**179,861,756**	**288,259**

5.3.4 STATEMENT OF CASH FLOWS OF BREMBO N.V.

(euro)	Notes	31.12.2024	31.12.2023
Cash and cash equivalents at beginning of year	11	**231,164,158**	**174,243,926**
Result before taxes		**200,550,842**	**171,758,489**
Depreciation, amortization/impairment losses	26	79,271,046	73,889,647
Capital gains/losses		372,906	(95,023)
Write-ups/Write-downs of shareholdings	28	(9,644,472)	(64,387)
Financial portion of provisions for payables for personnel	27	397,722	467,244
Dividend received	28	(74,866,421)	(50,644,623)
Financial income/(expense)	27	2,272,167	35,324
Other provisions net of utilizations		7,659,917	12,387,304
Cash flows generated by operating activities		**206,013,707**	**207,733,975**
Current taxes paid		(48,961,184)	(11,795,605)
Uses of long-term provisions for employee benefits	16	(795,225)	(802,320)
(Increase) reduction in current assets:			
inventories		(3,628,856)	150,324
financial assets		(1,931,916)	(1,591,441)
trade receivables and receivables from other Group companies		(19,575,036)	(5,686,322)
receivables from others and other assets		(2,645,743)	(5,155,927)
Increase (reduction) in current liabilities:			
trade payables and payables to other Group companies		(39,844,095)	34,689,407
payables to others and other liabilities		9,611,016	23,247,191
Net cash flows from/(for) operating activities		**98,242,668**	**240,789,282**

(euro)	Notes	31.12.2024	31.12.2023
Investments in:			
intangible assets	2	(39,143,553)	(35,226,671)
property, plant and equipment	1	(48,007,719)	(109,372,871)
financial assets (investments)		(34,611,691)	(32,920,543)
Price for disposal, or reimbursement value, of fixed tangible and intangible assets		1,006,064	172,308
Price for disposal, or reimbursement value, of investments	4	282,906,000	64,387
Interest received		37,056,209	26,661,676
Dividend received in the year	28	74,866,421	50,644,623
Net cash flows from/(for) investing activities		**274,071,731**	**(99,977,091)**
Dividends paid in the year		(95,661,117)	(90,688,430)
Loans to Group companies and amounts payable to companies participating in the centralized treasury system	10-13	49,538,872	3,712,481
Change in fair value valuation of derivatives		4,685,393	(5,882,053)
Payment of lease liabilities		(9,342,939)	(9,162,762)
Acquisition of own shares	12	(57,456,120)	(8,164,179)
Interest paid	11	(41,928,391)	(23,396,321)
Loans and financing granted by banks and other financial institutions in the year	13	250,000,000	125,000,000
Repayment of long-term loans and other liabilities		(100,257,779)	(75,310,695)
Net cash flows from/(for) financing activities		**(422,081)**	**(83,891,959)**
Total cash flows		**371,892,318**	**56,920,232**
Cash and cash equivalents at end of year	**11**	**603,056,476**	**231,164,158**

Note: Following the relocation of the Company in the Netherlands, data at 31 December 2023 have been restated.

5.3.5 STATEMENT OF CHANGES IN EQUITY OF BREMBO N.V.

				Legal reserves							
(euro)	Notes	Issued share capital	Share premium	Development costs	Revaluation reserve	Hedge reserve	Treasury shares	Statutory reserve	Other reserves and Retained earnings (losses)	Net result for the year	Equity
Balance at 1 January 2023	**12**	**34,727,914**	**26,650,263**	**0**	**13,368,774**	**23,960,300**	**(24,804,426)**	**0**	**623,708,605**	**164,919,102**	**862,530,532**
Allocation of profit for the previous year									74,230,672	(74,230,672)	**0**
Payment of dividends										(90,688,430)	**(90,688,430)**
Shares from withdrawn shareholders							(57,456,120)				**(57,456,120)**
Buy-back of own shares							(8,164,179)				**(8,164,179)**
Rounding						(1)			1		**0**
Components of comprehensive income:											
Effect of actuarial income/(loss) on defined benefit plans	16								(453,395)		**(453,395)**
Effect of hedge accounting (cash flow hedge) of derivatives	13					(9,835,462)					**(9,835,462)**
Fair value measurement of investments	4								50,885,359		**50,885,359**
Net result for the year										139,265,254	**139,265,254**
Balance at 1 January 2024	**12**	**34,727,914**	**26,650,263**	**0**	**13,368,774**	**14,124,837**	**(90,424,725)**	**0**	**748,371,242**	**139,265,254**	**886,083,559**
Allocation of profit for the previous year									43,604,137	(43,604,137)	**0**
Payment of dividends										(95,661,117)	**(95,661,117)**
Reduction of Share capital due to relocation		(27,720,712)						27,720,712			**0**
Reclassification due to relocation				91,159,684					(91,159,684)		**0**
Rounding									1		**1**
Components of comprehensive income:											
Effect of actuarial income/(loss) on defined benefit plans	16								25,765		**25,765**
Effect of hedge accounting (cash flow hedge) of derivatives	13					11,643,549					**11,643,549**
Fair value measurement of investments	4								4,728,829		**4,728,829**
Net result for the year										163,751,872	**163,751,872**
Balance at 31 December 2024	**12**	**7,007,202**	**26,650,263**	**91,159,684**	**13,368,774**	**25,768,386**	**(90,424,725)**	**27,720,712**	**705,570,290**	**163,751,872**	**970,572,458**

Note: Following the relocation of the Company in the Netherlands, data at 31 December 2023 and 31 December 2022 have been restated.

5.4 EXPLANATORY NOTES TO THE SEPARATE FINANCIAL STATEMENTS AT 31 DECEMBER 2024

BREMBO'S ACTIVITIES

Brembo N.V. (hereafter also the "Parent") is a company listed in Euronext Milan, Italy, having its statutory seat in The Netherlands and enrolled in the Chamber of Commerce — KVK — of Amsterdam (No. 93710054), with its headquarters and tax residence at Via Stezzano 87, 24126 Bergamo, Italy (VAT Code 00222620163). Brembo N.V. ultimate controlling party is Nuova FourB S.r.l., which holds 76.56% of its voting rights.
In the vehicle industry components sector, Brembo N.V. is active in the research, design, production, assembly and sale of high-performing braking systems, wheels and light alloy and metal casting, in addition to mechanical processes in general.

The extensive product range consists of brake calipers and pads, brake discs, wheel-side modules, complete braking systems with integrated engineering services, supporting the development of the new models offered to customers. Brembo's products and services are used in the automotive industry, for light commercial and heavy industrial vehicles, motorbikes and racing competitions. Brembo N.V.'s production is currently performed in Italy, in the plants of Curno, Mapello and Stezzano.

5.4.1 FORM AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

INTRODUCTION

The Separate Financial Statements of Brembo N.V. at 31 December 2024 were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and ratified by the European Union (IFRS-EU), and with Part 9 of Book 2 of the Dutch Civil Code. These include all the international accounting standards (IAS) and interpretations of the International Financial Reporting Standards Interpretation Committee (IFRIC).

The Financial Statements include the Statement of Financial Position, the Statement of Income, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity, and these Explanatory Notes, in accordance with IFRS requirements.

The Company has prepared the financial statements on the assumption that it will continue as a going concern, in the belief that there is no material uncertainty that might give rise to significant doubt with regard to this assumption. The Directors believe that there is a reasonable expectation that the Company possesses adequate resources to continue to operate in the near future.

The financial statements are prepared by the Board of Directors and authorized for issue on 18 March 2025 and will be submitted for adoption to the Annual General Meeting of Shareholders of 29 April 2025.

BASIS OF PREPARATION AND PRESENTATION

The Financial Statements have been prepared in accordance with the general principle of providing a true and fair presentation of the Company's assets and liabilities, financial position, statement of income results and cash flows, based on the following general assumptions: going concern, accrual accounting, consistency of presentation, materiality and aggregation, prohibition of offsetting, and comparative information.

The Financial Statements of the Company are presented in euro; all amounts are rounded to the nearest thousand unless otherwise indicated, and provide comparison figures for the previous year.

The Company made the following choices in relation to the presentation of the Financial Statements:

- for the Statement of Financial Position, there is separate disclosure of the current and non-current assets and the current and non-current liabilities. Current assets, which include cash and cash equivalents, are those assets which will be realized, sold or consumed within the Company's normal operating cycle. Current liabilities are obligations that will be liquidated within the Company's normal operating cycle or within twelve months of the close of the accounting period;
- in the Statement of Income, expense and income items are stated based on their nature;
- the Statement of Comprehensive Income has been reported in a separate statement;
- for the Statement of Cash Flows, the indirect method was used, as indicated in IAS 7.

DISCRETIONARY VALUATIONS AND SIGNIFICANT ACCOUNTING ESTIMATES

Preparing financial statements in compliance with the applicable accounting standards requires management to make estimates that may have a significant effect on the items reported in the accounts. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the current circumstances and given the information available at the reporting date. Actual results may differ from these estimates. Estimates and associated assumptions are reviewed on an ongoing basis. Revisions of estimates are recognized in the period in which such estimates are revised. Management's decisions that have a significant impact on the financial statements and estimates, and have a significant risk of material adjustments to the book value of assets and liabilities in the next accounting period, are discussed in the notes to the individual financial statement entries.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Capitalization of development costs

The initial capitalization is based on management's judgement about the technical and economic feasibility of the project, usually when the project has reached a certain phase of the development plan. When assessing the recoverability of development costs, recoverable amount is estimated on the basis of the future cash flows expected from the project, the applicable discount rates and the period in which expected benefits will be generated. Further information is given in Note 2 of these Explanatory Notes.

Taxes

The Financial Statements include deferred tax assets associated with the recognition of tax losses or tax credits that may be used in subsequent years and income components that are tax-deductible on a deferred basis, resulting in an amount the future recovery of which is deemed highly probable by company management. The recoverability of such deferred tax assets is conditional on earning future taxable income sufficient to offset such tax losses and for the use of the benefits of other deferred tax assets. Significant management's judgement is required in assessing the probability of the recoverability of deferred tax assets, taking into account all possible negative and positive evidence, and in determining the amount that may be recognized on the basis of the timing and amount of future taxable income, future tax planning strategies and the tax rates in effect when the differences will be reversed. Deferred tax liabilities for taxes on non-distributed profits of subsidiaries, associates or joint ventures are not recognized to the extent that it is considered probable that they will not be distributed in the foreseeable future. The wide range of international commercial relations, the long-term nature and the complexity of current contractual agreements, any differences between actual results and formulated hypothesis, or future changes of those assumptions, may require future adjustments to previously recognized income taxes and expenses. If it should be concluded that the Group is no longer able to recover in future years part or all of the deferred tax assets recognized, the consequent adjustment will be taken to the Statement of Income in the year in which this occurs. The recoverability of deferred tax assets is reviewed at the end of each period. Deferred tax assets not recognized in the financial statements are reassessed at each reporting date to verify the conditions for recognising them. Further information is given in Note 6 of these Explanatory Notes.

Impairment of non-financial assets

The recoverable amounts of such assets have been verified in accordance with the criteria laid down in IAS 36. When determining their recoverable amount, the Company generally applies the criterion of value in use, defined as the present value of the future cash flows expected from the assets being assessed. An impairment loss occurs when the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount, which is the greater of fair value less costs to sell and its value in use. Recoverable amount is highly dependant on the discount rate used in the discounted cash flow model (which reflects the current market assessments of the time value of money and the risks specific to the asset in question), the expected future cash flows and the growth rate used for extrapolation. The expected future cash flows used to determine value in use are based on the most recent financial plan approved by management, containing projected volumes, revenues, operating costs and investments.

Defined benefit plan

The cost of defined benefit pension plans and the present value of the defined benefit obligation are determined according to an actuarial assessment. Costs and liabilities associated with such plans are calculated based on estimates prepared by actuarial consultants, who use a combination of statistical and actuarial factors, including statistical data concerning previous years and projections of future costs. In addition, the components of estimation also include mortality and retirement rates, assumptions regarding the future evolution of discount rates, salary growth rates and inflation rates. These estimates may differ substantially from actual results due to the development of economic and market conditions, increases or decreases in retirement rates and the life expectancy of participants. Due to the complexity of the assessment and its long-term nature, such estimates are extremely sensitive to changes in assumptions. All assumptions are therefore reviewed annually. Further information is given in Note 16 of these Explanatory Notes.

Fair value measurement of financial instruments

The determination of the fair value of financial instruments is a structured process involving the use of complex valuation methodologies and techniques and the collection of up-to-date information from the markets of reference and/or the use of internal input data. The fair value of financial instruments is calculated on the basis of market prices, where available, or, for unlisted financial instruments, by applying specific valuation techniques based on the discounting of future cash flows. As with other estimates, the determination of fair value, while based on the best available information and the adoption of adequate valuation methodologies and techniques, is intrinsically characterized by elements of uncertainty and the use of professional judgement, which could result in projected values that differ from actual results.

Climate Change

A worldwide process of decarbonization and electrification of the global economy is in progress. In accordance with the requirements of the Paris Agreement, this process is crucial to achieving the net zero goal, which should prevent the severe consequences of an increase in temperatures of over 1.5°C.

To this end, and as illustrated in greater detail in the Sustainability Statement, the Company has set its own strategic guidelines, which lay down:

- a process aimed at reducing to zero by 2040 the CO_2 emissions classified as Scope 1 and 2 (direct and indirect emissions generated by its activities) and Scope 3 (emissions generated by the value chain);
- the development of solutions that facilitate the emission reduction, increasing vehicles' overall efficiency.

Within this framework, IAS 1 requires that the Notes to the Financial Statements include a disclosure of the entity's assumptions concerning the future that might entail a significant risk of causing a material adjustment in the subsequent financial year. The consequences in terms of investments, costs and cash flows are taken into consideration when preparing the financial statements, in accordance with the progress of the roadmap of the process (e.g., revision of the useful lives of assets planned to be replaced, adjustment of impairment tests to reflect the impacts on investment flows, etc.). It is possible that in the future the carrying amounts of assets and liabilities in the Company's financial statements may be subject to various impacts as the strategy for managing climate change continues to evolve. These aspects are monitored through coordination between the various company functions involving a cross-functional work team set up to conduct thorough analyses of the impact of projects aimed at reducing the emissions generated by the production process and value chain. The roadmap to achieving the net zero goal is periodically updated and discussed within the Sustainability Committee to assess specific investment needs, evaluate the impact of external events and update the state of progress.

Pursuant to IAS 36, impairment tests are conducted on the basis of the Company's Business Plan, which in turn is founded on short-, medium- and long-term strategic objectives. The cash flows used are therefore drawn from this plan and include both the risks and opportunities associated with climate change (e.g., energy efficiency projects, replacement of energy sources, development of low-emissions products, etc.).
IAS 16 and 38 establish the criteria for capitalising costs. Costs, including those of developing new solutions that reduce consumption, are capitalized when they meet the requirements set by the two standards. The useful lives of property, plant and equipment, along with those of intangible assets, are determined in accordance with the Company's strategic objectives and Business Plan.
IFRS 13 requires a disclosure of the key assumptions used when assets are measured at fair value and measurement may include various possible scenarios. In addition, specific sensitivity analyses are conducted to take account of the various future scenarios.
On the basis of IAS 37, it is possible that the provisions

previously recognized for future events could be realized sooner, with the resulting change in the estimate to be recognized. Climate change, and the ensuing associated legislation, might require the reconsideration of such estimates and recognition of liabilities previously not recognized, for which specific disclosure would be provided.
Despite including considerable investments relating to sustainability objectives in its financial plans, the Company has introduced an additional sensitivity scenario for its flows, designed to reflect its carbon neutrality goals. Accordingly, cash outflows were simulated, both during the explicit period and in the estimate of terminal value, which simulate the cost of neutralising CO2 emissions (Scope 1) on the basis of the market values that would be incurred to neutralize them.

CHANGE IN ACCOUNTING STANDARDS AND DISCLOSURES

The valuation and measurement criteria used are based on the IFRS in force as of 31 December 2024 and endorsed by the European Union. In the reporting year, the Company applied a series of amendments to the international accounting standards issued by the IASB that entered into effect on a mandatory basis for accounting periods that begin on or after 1 January 2024. Their adoption had no impact on the information or the amounts indicated in these Financial Statements.

Amendments to IFRS 16 – *Leases*
The IASB has issued narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 explaining how a seller-lessee accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or a rate are most likely to be impacted.

Amendments to IAS 1 – *Presentation of Financial Statements*
The amendments to IAS 1 clarify the criteria for classifying liabilities with covenants as current or non-current. The amendments will also require companies to provide additional information to stakeholders. The changes introduced by the amendments require companies to consider the potential impact for their loan arrangements and the presentation of their financial statements.

Amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments*
In May 2023, the International Accounting Standards Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. With the amendments, the IASB has introduced new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements.

Other standards, interpretations or amendments, endorsed or not yet endorsed, and not yet entered into force at the reporting date, are listed in the following table:

Description	Endorsed	Expected date of entry into force
Amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability* (issued on 15 August 2023)	Yes	1 January 2025
IFRS 18 - *Presentation and Disclosure in Financial Statement* (issued on 9 April 2024)	No	1 January 2027
IFRS 19 - *Subsidiaries without Public Accountability Disclosure* (issued on 9 May 2024)	No	1 January 2027
Annual Improvements Volume 11 (issued on 18 July 2024)	No	1 January 2026
Amendments to IFRS 9 and IFRS 7 – *Contracts Referencing Nature-dependent Electricity* (issued on 18 December 2024)	No	1 January 2026
Amendments to IFRS 9 and IFRS 7 – *Amendments to the Classification and Measurement of Financial Instruments* (issued on 30 May 2024)	No	1 January 2026

The Company did not opt for early adoption of new standards, interpretations or amendments that have been issued but have not entered into force yet.

5.4.2 ACCOUNTING STANDARDS AND VALUATION CRITERIA

BUSINESS COMBINATIONS AND GOODWILL

Business combinations (established after the date of transition to IFRS) are accounted for using the purchase accounting method envisaged by IFRS 3.
The value of the entity included in the business combination is the sum of the fair value of the assets acquired and liabilities assumed, including contingent liabilities.
The cost of a business combination is identified as the fair value, at the date control is obtained, of the assets acquired, liabilities assumed and equity instruments issued for the purposes of the combination. That cost is then compared with the fair value of the identifiable assets, liabilities and contingent liabilities upon acquisition. Any positive difference between the cost of the acquisition and the Company's share of the fair value of the identifiable assets, liabilities and contingent liabilities upon acquisition is recognized as goodwill. Any negative differences are charged directly to the Statement of Income. If the initial cost of a business combination can only be determined provisionally, adjustments to the initial provisional values must be made within twelve months of the acquisition date. Minority interests are recognized on the basis of the fair value of the net assets acquired. If a business combination involves more than one transaction, with successive share purchases, each transaction is treated separately using the cost of the transaction and fair value information on the assets, liabilities and contingent liabilities at the date of each transaction to determine the amount of any differences. When control of a company is obtained through a subsequent share purchase, the previously held interests are accounted for again based on the fair value of identifiable assets, liabilities and contingent liabilities at the date control is acquired.
The acquiree measures contingent consideration at fair value at the acquisition date. The change in fair value of contingent consideration classified as an asset or liability, in that it is a financial instrument falling within the scope of IFRS 9, must be recognized in profit or loss or in Other Comprehensive Income. If the contingent consideration is not within the scope of IFRS 9, it is measured in accordance with the relevant IFRS. If the contingent consideration is classified as an equity instrument, its value is not remeasured and its subsequent settlement is recognized in equity.
Goodwill is initially recognized at cost, as the difference of the aggregate of the value of the consideration transferred and the amount attributed to minority interests compared to net identifiable assets acquired and liabilities assumed

by the Company. If the consideration is lower than the fair value of net assets of the acquired subsidiary, the difference is recognized in profit or loss.
After initial recognition, goodwill is measured at cost less any impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Company's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree have been assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal. The goodwill associated with the operation disposed of is measured on the basis of the relative value of the operation disposed of and the portion of the cash-generating unit retained.

EQUITY INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Impaired equity investments in subsidiaries and associates are stated at adjusted cost.

The positive difference, arising at the time of purchase, between the acquisition cost and the share of the investee's equity pertaining to the Company at current values is therefore included in the equity investment's carrying value.

Equity investments are tested for impairment where impairment indicators are identified. If there is evidence that such equity investments have become impaired, this is recognized in the Statement of Income as a write-down. If any of the Company's share of the investee's impairment losses exceeds the equity investment's book value, and the Company is obliged or intends to meet such losses, the value of the equity investment is reduced to zero and the exceeding losses amount is recognized as a provision under liabilities. If, at a later date, the impairment ceases to exist or is reduced, the reversal, which must not exceed the cost, is recognized in the Statement of Income.

When significant influence over an associate or joint control of a joint venture is lost, the Company measures and recognizes the residual investment at fair value. The difference between the carrying amount of the investment at the date significant influence or joint control is lost and the fair value of the residual investment and consideration received is recognized in profit or loss.

SHAREHOLDINGS IN OTHER COMPANIES

Shareholdings in other companies are classified and measured at fair values through other comprehensive income (OCI), as better described in the section "Financial Instruments – Financial Assets" below.

TRANSACTIONS IN CURRENCIES OTHER THAN THE FUNCTIONAL CURRENCY

Transactions in currencies other than the functional currency are initially converted into the functional currency using the exchange rate prevailing at the date of the transaction. At the closing date of the accounting period, monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the exchange rate prevailing at that date. Exchange differences arising from such translation are recognized in the Statement of Income.

Non-monetary assets and liabilities denominated in currencies other than the functional currency that are carried at cost are translated using the exchange rate prevailing at the transaction date, while those carried at fair value are translated using the exchange rate prevailing on the date the fair value is determined.

PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS

Recognition and measurement

Property, plant, equipment and other equipment are recognized at cost, net of the related accumulated depreciation and any impairment loss. The cost includes the purchase or production price and direct costs incurred for bringing the asset to the location and in the conditions necessary for it to be capable of being operated; interest expense is also included, where applicable under IAS 23.
Subsequent to initial recognition, the asset continues to be carried at cost and depreciated based on its useful life net of any impairment in value, taking into account any residual value.
Land, including land linked to buildings, is recognized separately and is not depreciated since it is regarded as having an indefinite useful life.

Subsequent costs

Costs for improvements and transformations that increase the value of assets (i.e., they result in probable future economic rewards that can be reliably measured) are recognized in the assets section of the Statements of Financial Position as increases in the reference assets or as separate assets. Costs are recognized in the year in which they are incurred, where they relate to maintenance or repair and do not lead to any significant and measurable increase in productive capacity or in the useful life of the relevant asset.

Depreciation

Depreciation represents the economic and technical loss of value of the asset and is charged from when the asset is available for use; it is calculated using the straight-line method based on the rate considered representative of the estimated useful life of the asset.

The range of expected useful lives of property, plant and equipment used for calculating depreciation is reported below:

Category	Useful life
Land	Indefinite
Buildings	10-35 years
Plant and machinery	5-10 years
Industrial and commercial equipment	2.5-10 years
Other assets	4-10 years

The residual values, useful lives and depreciation methods applied to property, plant and equipment are reviewed at the end of each year and prospectively corrected, where appropriate. Useful lives are unchanged compared to the previous year.

Leases

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. It requires lessees to recognize all lease contracts in the financial statements on the basis of a single accounting model similar to that used to recognize finance leases that were governed by IAS 17. The lessee recognizes a liability for payments of rental fees specified in the lease contract and an asset representing the right to use the underlying asset for the period of the contract. Lessees must recognize separately the interest paid on the lease liability and depreciation of the right to use the asset. Lessees must also re-measure the lease liability when certain events happen (e.g., a change in lease contract conditions, a change in future lease payments caused by a change in an index or rate used to determine those payments). The lessee generally recognizes the re-measured amount of the lease liability as an adjustment to the right to use the asset.

Leasehold improvements

Improvements to third-party assets that can be considered fixed assets are capitalized to the appropriate asset category and depreciated over the shorter of their useful life or the lease term.

DEVELOPMENT COSTS AND OTHER INTANGIBLE ASSETS

The Company recognizes intangible assets when the following conditions are met:

- the asset is identifiable, or separable, or can be separated or removed from the entity;
- the asset is controlled by the Company, meaning that the Company has the power to obtain future economic rewards from the asset;
- it is probable that the Company will enjoy future rewards attributable to the asset.

Intangible assets are initially measured at cost; subsequent to initial recognition, they are carried at cost less amortization, which is calculated using the straight-line method (beginning on the date the assets are available for use) over their useful lives, and net of any impairment losses, taking into account any residual value.

The useful life of assets is reviewed periodically.

An intangible asset generated in the development phase of an internal project is recognized as asset if the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and the ability to use or sell it;
- how the intangible asset will generate probable future economic rewards;
- the availability of adequate resources to complete the asset;
- the ability to measure reliably the expenditure attributable to the intangible asset during its development;
- the ability to use the intangible asset generated.

Research costs are recognized in the Statement of Income. Similarly, in the case of externally acquired intangibles that qualify as research and development costs, only the costs attributable to the development phase are recognized as assets, provided that the above requirements are met. Such costs are capitalized under "Development costs" and amortized only when the development phase is concluded and the asset developed generates economic rewards.
In the period in which internal development costs that can be capitalized are incurred, these costs are excluded from the Statement of Income item "Increase on internal works capitalized" and recognized in the item "Costs for capitalized internal works".

The range of expected useful lives of intangible fixed assets used for calculating amortization is reported below:

Category	Useful life
Development costs	3-5 years
Goodwill and other fixed assets with indefinite useful lives	Indefinite
Industrial patents and similar rights	5-10 years
Other intangible assets	3-5 years

The residual values, useful lives and amortization methods applied to intangible assets are reviewed at the end of each year and prospectively corrected, where appropriate. Useful lives are unchanged compared to the previous year.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property, plant, equipment, other equipment, right of use assets, development costs, other intangible assets and equity investments are tested for impairment whenever there are any indications of impairment.
Write-downs correspond to the difference between the carrying value and recoverable value of the assets in question. The recoverable value is the greater of the fair value of an asset or cash-generating unit less the costs of disposal and the value in use, determined as the present value of estimated future cash flows. The value in use is defined as the cash flows expected to arise from the use of an asset, or the sum of the cash flows in the case of more cash-generating units. The expected future cash flows are measured using the unlevered discounted cash flows method and each group of assets is discounted to the present value using the WACC method (weighted average cost of capital). If the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and, as a general rule, the impairment loss is recorded in the Statement of Income. When the impairment loss of an asset (except for goodwill) is subsequently reversed, the carrying value of the asset (or cash-generating unit) is increased to the new estimate of recoverable value, without exceeding the value prior to write-down.

INVENTORIES

Inventories of raw materials and finished products are stated at the lower of cost of acquisition or market value and the corresponding presumable net realisable value estimated from market trends.
The purchase cost includes costs incurred to bring each asset to the place it is stored. Manufacturing costs of finished products and semi-finished goods include direct costs and a portion of indirect costs that can be reasonably attributed to the products based on normal exploitation of the production capacity; interest expense is excluded.
Work in progress is valued at production costs for the year, based on the progress report.
The cost of inventories of raw materials, finished goods, goods for resale and semi-finished products is calculated using the weighted mean cost method.
For raw materials, ancillaries and consumables, the presumable net realisable value corresponds to the replacement cost. For finished products and semi-finished goods, the presumable net realisable value corresponds to the estimated sales price in the ordinary course of business, less the estimated costs of completion and costs to sell.
Inventories that are obsolete or characterized by a long turnover period are written down on the basis of their possible useful life or future realisable value, by creating a special provision for inventory adjustment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances, unrestricted deposits and other treasury investments with original maturities of up to three months. A treasury investment is classified among cash and cash equivalents when it is instantly convertible to cash with minimal risk of any fluctuation in value and when it is intended to meet short-term cash requirements and is not held as an investment.

For purposes of the Statement of Cash Flows, cash balances are stated net of bank overdrafts at the end of the period.

PROVISIONS

Provisions include certain or probable costs of a specific nature, the amount or settlement date of which could not be determined at year-end.

A provision is recognized when:

- there is a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

Provisions are recognized at the present value of the expected expenditure required to settle the related obligation. Where the Company expects some or all of the

expenditure required to settle a provision to be reimbursed, such as for the case of insured risks, the reimbursement is treated as a separate asset and is recognized when, and only when, it is virtually certain that the reimbursement will be received. In this case, the expense relating to the provision is presented in the Statement of Income net of the amount recognized for the reimbursement.
Provisions are periodically updated to reflect changes in cost estimates, timing and present value, if any; revisions to estimates of provisions are recognized under the same item of the Statement of Income under which the original provision was recognized and in the Statement of Income of the period in which the change is made.
When provisions are discounted to present value, the change resulting from the passage of time or interest rate fluctuations is recognized under "Net interest income (expense)". Any provisions for restructuring costs are recognized when the Company has approved a formal detailed plan and communicated it to the parties involved.
A provision for costs arising from tax liabilities is recognized when the dispute to which the contingent liability refers is ongoing or likely.
Provisions for product warranty costs are recognized when products are sold. Initial recognition is based on historical experience, excluding exceptional events, for which a precise assessment is conducted. The initial estimate of the costs of warranty work is reviewed annually.

EMPLOYEE BENEFITS

The difference between defined contribution plans, wholly unfunded defined benefit plans, wholly or partly funded defined benefit plans and other forms of long-term benefits is reported below.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays contributions to an insurance company or pension fund and has no legal or constructive obligation to pay further contributions if, when the benefit right matures, the fund does not have sufficient assets to pay all benefits relating to employee service in the current or prior periods.
These contributions, which are paid for the services rendered by employees, are recognized in the same accounting period in which the services are rendered.

Defined benefit plans and other long-term benefits

Defined benefit plans are post-employment benefit plans that entail a future obligation for the Company. The company assumes actuarial and investment risks in relation to the plan.
To determine the present value of its obligations relating to such plans and the related service costs, Brembo N.V. uses the "Projected Unit Credit Method".
This actuarial calculation method requires the use of unbiased and mutually compatible actuarial assumptions about demographic variables (mortality rate and employee turnover rate) and financial variables (discount rates and future increases in salary and benefits).
When a defined benefit plan is wholly or partly funded by contributions paid either into a fund that is legally separate from the company or to an insurance company, any plan assets are measured at fair value. The obligation is therefore stated net of the fair value of the plan assets that will be used to directly meet such obligation.
Remeasurements, which include actuarial gains and losses, any changes in the effect of the assets ceiling (excluding net interest) and return on plan assets (excluding net interest) are recognized immediately in the Statement of Financial Position, debiting or crediting retained earnings through Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified through profit or loss in the following years.
Other long-term benefits refer to employee benefits other than post-employment benefits. They are accounted for in the same manner as defined benefit plans.

OWN SHARES

Own shares bought back are recognized at cost and are deducted from equity. No gain or loss is recognized in the Statement of Income on the purchase, sale, or cancellation of the company's own shares. The difference between the carrying amount and the consideration, in case of reissue, is recognized in the share premium reserve.

GOVERNMENT GRANTS

Government grants are recognized at fair value, when there is reasonable assurance that all necessary conditions attached to them have been satisfied and the grants will be received.

Grants received in recognition of specific expenses are recognized as liabilities and credited to the Statement of Income on a systematic basis over the periods necessary to match the grant income with the related expenditure.
Grants received for defined assets that are recognized as fixed assets are accounted for as non-current liabilities and credited to the Statement of Income in relation to the period in which depreciation or amortization is charged for the relevant assets.

FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as derivatives, at fair value at the end of each financial period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement assumes a sale of the asset or transfer of the liability taking place:
- in the principal market for the asset or liability; or
- in the absence of a principal market, the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Company.

Fair value measurement takes into account the characteristics of the asset or liability being measured that market participants would consider when pricing the asset or liability, assuming that market participants act with the aim of best satisfying their economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic rewards by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques appropriate to the circumstances and for which sufficient data for fair value measurement are available, thus maximising the use of significant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities, the fair value of which has been measured or recognized in the financial statements, are categorized based on the fair value hierarchy, as described below:
- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 - measurement techniques whereby inputs are unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the hierarchy level of the lowest level input that has been used for the measurement.
For assets and liabilities that are measured at fair value on a recurring basis, the Company determines whether shifts have occurred between hierarchy levels and revises the categorization (based on the lowest level input that is significant to the entire fair value measurement) at the end of each financial period.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are initially recognized at their fair value, plus ancillary costs. Upon initial recognition, financial assets are classified, depending on their nature, in the following categories: financial assets measured at fair value through profit or loss or through other comprehensive income (OCI), loans, receivables and financial assets available for sale.
Loans and receivables (the category of greatest significance for the Company) are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. After initial recognition, such financial assets are measured at amortized cost, using the effective interest rate method, less impairment losses. Amortized cost is calculated by including any discounts, premiums or fees and/or costs, which are an integral part of the effective interest rate. The effective interest rate is recognized as interest income in the Statement of Income. Impairment losses are recognized in the Statement of Income as interest expense. This category normally includes trade and other receivables.
When accounting for financial assets measured at amortized cost, the Company first assesses whether impairment exists for each financial asset that is individually significant, and collectively for financial assets that are not individually significant. The carrying amount of an asset is reduced by recognising a write-down provision, and the amount of the loss is recognized in the Statement of Income. Loans and the associated write-down provisions are derecognized when there is no realistic prospect that they may be recovered in future and the guarantees have been enforced or transferred to the Company. If, in a subsequent year, the amount of an estimated impairment loss increases or decreases because of an event occurring after the impairment is recognized, the previously recognized impairment loss is increased or decreased by adjusting the provision.
Financial assets are classified and measured at fair values through OCI when they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Upon the initial recognition of investments in equity instruments, the Company may irrevocably elect to classify its investments as equity instruments measured at fair value through OCI where they meet the definition of an equity instrument pursuant to IAS 32 – *Financial Instruments*: *Presentation* and are not held for trading. The classification is determined for each instrument. Gains and losses on such financial assets are never transferred to profit or loss. Dividends are recognized as other income in profit or loss when entitlement to payment is approved, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, in which case the profits are taken to OCI. Equity instruments measured at fair value through OCI are not tested for impairment.

Financial assets are derecognized from the financial statements when the right to receive cash flows ceases, the Company transfers the right to receive cash flows from the asset to a third party, or the Company assumes a contractual obligation to pay them in full and without delay, and:

- it has transferred substantially all of the risks and rewards of ownership of the financial asset; or
- it has neither transferred nor retained substantially all of the risks and rewards of the asset, but has transferred control of the asset.

Where the Company has transferred the rights to receive the cash flows from an asset, or has entered into a contractual arrangement whereby it retains its contractual right to receive the cash flows from the asset, but assumes a contractual obligation to pay cash flows to one or more beneficiaries (pass-through arrangement), it evaluates the extent to which it has retained the risks and rewards of ownership.
Equity investments in other entities are measured at fair value; when the fair value cannot be reliably determined, equity investments are measured at cost adjusted for impairment.

Financial liabilities

Upon initial recognition, financial liabilities are classified among financial liabilities at fair value through profit or loss, loans and financing or derivatives designated as hedging instruments. All financial liabilities are initially recognized at fair value, in addition to directly attributable transaction costs in the case of loans, financing and payables. The Company's financial liabilities extend to trade payables and other payables, loans and financing, including account overdrafts, guarantees issued and derivative financial instruments, as well as lease liabilities.
Loans and payables (the category of greatest significance for the Company) are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Statement of Income when the liability is extinguished, as well as through the amortization process.
Amortized cost is calculated by including the discount or premium of the acquisition, as well as costs and fees, which are an integral part of the effective interest rate. Amortization at the effective interest rate is gradually recognized to profit or loss over the life of the loan.
Financial guarantees issued are contracts that require a payment to reimburse the holder of a debt instrument for a loss incurred by the holder due to default by the debtor on payment at the contractual due date. When the Company issues financial guarantees, the financial guarantee contracts are initially recognized as liabilities at fair value, plus the transaction costs directly attributable to issuing the guarantee. The liability is then measured at the greater of the best estimate of the outlay required to meet the guaranteed obligation at the reporting date and the initially recognized amount, less cumulative amortization.
A financial liability is derecognized when the obligation underlying the liability is extinguished, cancelled or discharged. Where one existing financial liability is replaced by another attributable to the same borrower with substantially different conditions, or the conditions of an existing liability are substantially modified, such exchange or modification is accounted for by derecognising the original liability and recognising a new liability, with any differences between carrying amounts recognized in the Statement of Income.

Offsetting of financial instruments

A financial asset and a financial liability may be set off against one another, and the net balance presented in the Statement of Financial Position, if there is a legally enforceable right to set off the recognized amounts and the entity intends either to settle on a net basis or realize the asset and settle the liability simultaneously.
Loans, payables and other financial and/or trade liabilities with a fixed or determinable maturity are initially recognized at fair value, net of the transaction costs. After initial recognition, these payables are evaluated using the criterion of amortized cost at the effective interest rate. Long-term debts for which an interest rate is not specified are recognized by discounting future cash flows at market rate, if the increase in payables arises from the passage of time, with subsequent recognition of interest through profit or loss in item "Net interest income (expense)".

DERIVATIVES

Derivatives, including embedded derivatives separated from their host contracts, are initially recognized at fair value.
Derivatives are classified as hedging instruments when the relationship between the derivative and the object of the hedge is formally documented and the degree of coverage, which is periodically checked, is high.
When hedging derivatives hedge the risk of changes in the fair values of the hedged instruments, they are recognized at fair value through profit or loss. Accordingly, the hedged instruments are adjusted to reflect changes in fair value associated with the hedged risk.
When derivatives hedge the risk of changes in the cash flows of the hedged instruments (cash flow hedges),

the hedges are designated on the basis of the exposure to changes in cash flows attributable to risks that may influence profit or loss at a later date. Such risks are generally associated with a recognized asset or liability (such as future payments of variable-rate debt).
The effective portion of the change in the fair value of the part of derivative contracts designated as hedges in accordance with the requirements of IFRS 9 is recognized in the Statement of Comprehensive Income (hedging reserve). That reserve is then released to the profit or loss when the hedged transaction is recognized in the Statement of Income.
The ineffective portion of the change in fair value, along with the entire change in the fair value of derivatives not designated as hedges or that do not meet the requirements presented in IFRS 9, is recognized directly in profit or loss.
The current and non-current classification of active and passive derivative instruments is carried out considering the maturity of the future financial flows of the derivatives.

REVENUE FROM CONTRACTS WITH CUSTOMERS, OTHER REVENUES AND INCOME

Revenue from contracts with customers is recognized in the Statement of Income for an amount that reflects the consideration to which the entity claims entitlement in exchange for transferring the control of the goods or services to the customer.
Revenues are recognized net of sales returns, discounts, allowances and taxes that are directly associated with the sale of the product or provision of the service.

Sales of goods and services are recognized at the fair value of the consideration received when the following conditions are met:
- the control associated with ownership of the good is transferred;
- the revenue amount can be measured reliably;
- it is probable that the economic rewards arising from the sale will flow to the Company;
- the costs incurred or that will be incurred can be measured reliably.

The sale of the brake system is the sole obligation ("at a point in time"), since revenue will be recognized when control of the asset is transferred to the customer, which generally coincides with the moment of delivery. The price, which refers to the sole Performance Obligation identified, resulting from market value and negotiations between the parties. Revenues are recognized net of sales returns, discounts, allowances and taxes that are directly associated with the sale of the product or provision of the service.

The Company supplies equipment sold separately from the brake systems. The equipment sold becomes the full property of the customer and does not have an alternative use, i.e. there are practical limitations — unique design specifications for the customer — that prevent the entity from easily directing the asset to another use in its complete form. There is thus a single performance obligation in the contract whose price coincides with the price of the order and that is satisfied when the customer obtains control of the asset.

The Company recognizes revenue for carrying out development activities of specific brake systems requested by its customers. If the services rendered by the Company regard primary product development and Brembo keep the ownership of the development, the related revenue is suspended from Statement of income, and a "Contract liability" is booked, until the development process is completed; then, the revenue is recognized in the Statement of income over the useful life of the product to which the development activity is related (the time horizon is estimated, on average, of five years). On the other hand, if the ownership of the development is sold to the customer, the revenue is recognized when the control (along with the risks/rewards) is transferred to the customer, i.e., upon invoicing to the customer.

Paragraph 15.B63 identifies the exceptions to the recognition of revenue over time. These exceptions are royalties and sales-based royalties. The exception applies to royalties collected for the licensing of Brembo's trademark and technology. The proceeds are to be accounted for as revenue at a point in time and thus to be taken to the statement of income in full when they are received. The entity only recognizes revenue from sales-based royalties when the subsequent sale occurs, i.e. when the article produced using the trademark or technology to which the royalties refer is then sold, consequently, the revenue is accounted for in accordance with the principle of economic competence.

INTEREST INCOME/(EXPENSE)

Interest income/expense is recognized after being measured on an accrual basis.

INCOME TAXES

Current tax assets and liabilities are measured as the amount that is expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to calculate that amount are those enacted, or substantially enacted, at the reporting date in the country in which the Company operates and generates its taxable income. Management periodically assesses the position assumed in the income tax return, where tax laws are subject to interpretation, and recognizes provisions, where appropriate.
Any differences between the calculation of taxes in the financial statements and income tax returns or amounts paid or provisioned for direct income tax disputes are presented under the item "Prior years' taxes and other tax payables".
Deferred tax assets and liabilities are recognized in order to reflect the temporary differences between the value attributed to an asset/liability for tax purposes and that attributed based on the accounting standards applied at the reporting date. They are measured using the tax rates that are expected to apply in the year when the assets will be realized or the liabilities will be settled, based on tax rates in force or those already enacted or substantially enacted at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses eligible to be carried forward, to the extent it is probable that sufficient future taxable income will be available to permit the use of the deductible temporary differences, unused tax credits and unused tax losses carried forward, except for the cases in which:
- the deferred tax asset related to the deductible temporary differences arises from initial recognition of an asset or liability in a transaction other than a business combination that does not affect accounting or taxable income at the time of the transaction;
- there are deductible temporary differences related to equity investments in subsidiaries, associates and joint ventures. In this case deferred tax assets are recognized solely to the extent it is probable that they will be reversed in the foreseeable future and there will be sufficient taxable income to permit such temporary differences to be recovered.

The carrying amounts of deferred tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that there will be sufficient future taxable income to permit all or part of the credit concerned to be used. Unrecognized deferred tax assets are reviewed at each reporting date and are recognized to the extent it has become probable that taxable income will be sufficient to permit such deferred tax assets to be recovered.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:
- the deferred tax liabilities arize from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that does not affect accounting or taxable income at the time of the transaction;
- reversal of the taxable temporary differences related to

equity investments in subsidiaries, associates and joint ventures may be controlled, and it is probable that it will not occur in the foreseeable future.

Tax balances (current and deferred) attributable to amounts recognized directly in equity are also recognized directly in equity.
Current and deferred tax assets and liabilities are offset only when the legal right of offset exists; such amounts are recognized as receivables or payables in the Statement of Financial Position.

The Company has monitored, and continues to monitor, the implementation of the OECD Pillar II in all countries in which the Group operates. Considering the analyses conducted for 2024, the Company has not identified any potential impacts arising from the Global Minimum Tax.

DIVIDENDS

Dividends are recognized when the shareholders' right to receive payment is established under local law.

The Company recognizes a liability to account for the distribution to its shareholders of cash or non-cash assets once the distribution has been appropriately authorized and is no longer at the Company's discretion. Under current Italian company law, a distribution is authorized when it has been approved by the shareholders. The corresponding amount is recognized directly in equity.

FURTHER INFORMATION

Brembo N.V. is exposed to market, commodity, liquidity and credit risks, all of which are tied to the use of financial instruments.

Financial risk management is the responsibility of the central Treasury Department, which, together with the Finance Department, evaluates the Company's main financial transactions and related hedging policies.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices resulting from shifts in exchange rates, interest rates and equity security prices.

Interest Rate Risk

Interest rate risk refers to variable-rate financial instruments recognized in the Statement of Financial Position (particularly bank loans, other loans, leases, etc.) that are not hedged by financial derivatives.
In order to fix the financial burden relating to a part of its debt, Brembo N.V. has entered into fixed-rate financing contracts and interest rate swaps. However, the Company continues to be exposed to interest-rate risk due to the fluctuation of variable rates.

A sensitivity analysis is provided below to illustrate the effects of a change in interest rates of +/-50 base points compared to the rates at 31 December 2024 and 31 December 2023, with other variables held constant. The potential impacts were calculated on the variable-rate financial liabilities at 31 December 2024. The aforementioned change in interest rates would result in a higher (or lower) annual net pre-tax expense of approximately €541 thousand (€682 thousand at 31 December 2023), gross of the tax effect.

The average weekly gross financial debt was used in the calculation.

Exchange Rate Risk

Brembo N.V. deals in international markets with currencies other than the euro and is therefore exposed to exchange rate risk.

To mitigate this risk, Brembo N.V. uses natural hedging (offsetting receivables and payables) and hedges only net positions in foreign currency, using mostly short-term financing denominated in the currency to be hedged, in order to offset any unbalances; currency forward contracts are also used to hedge this risk category.
Any net positions in foreign currency are not hedged systematically. In detail, they are hedged if net flows are significant enough to warrant doing so; historical and predicted trends for the exchange rates in question are also assessed.
The Company is exposed to the following currencies: €/USD, €/SEK, €/PLN, €/JPY, €/GBP, €/CNY, €/CZK, €/CHF.

A sensitivity analysis was performed to illustrate the effects on pre-tax result arising on a positive (negative) change in exchange rates.

Starting with the exposures at 31 December 2024 and 2023, a percentage change calculated as the standard deviation of the exchange rate with respect to the average exchange rate was applied to the average exchange rates for 2024 and 2023 to measure exchange rate volatility.

	31.12.2024			31.12.2023		
(euro thousand)	Change %	Effect of exchange rate increase	Effect of exchange rate decrease	Change %	Effect of exchange rate increase	Effect of exchange rate decrease
EUR/USD	1.60%	(321.8)	332.3	1.52%	(208.1)	214.5
EUR/SEK	1.32%	10.0	(10.3)	2.29%	7.2	(7.5)
EUR/PLN	0.76%	16.3	(16.5)	2.81%	(29.0)	30.7
EUR/JPY	2.63%	(61.3)	64.6	4.75%	100.2	(110.2)
EUR/GBP	1.23%	6.7	(6.9)	1.23%	(7.5)	7.7
EUR/CNY	1.09%	11.7	(12.0)	2.88%	(394.5)	418.0
EUR/CZK	0.94%	(48.7)	49.7	1.63%	(0.7)	0.7
EUR/CHF	1.84%	6.4	(6.6)	1.70%	12.7	(13.2)
EUR/RUB	4.28%	0.0	0.0	23.11%	121.8	(195.1)
EUR/DKK	0.03%	0.0	0.0	0.09%	(7.0)	7.0

Commodity Risk

The Company is exposed to changes in prices of main raw materials and commodities. In 2024, no specific hedging financial transactions were undertaken. It bears however recalling that fixed prices are set in supply contracts with certain commodities suppliers for a given period of time and that the contracts in place with the main customers also provide for automatic periodic indexing on the basis of commodities prices; both these approaches thus mitigate the risk of fluctuations in commodities prices.

Liquidity Risk

Liquidity risk can arise from the inability to obtain the financial resources necessary to guarantee Brembo N.V.'s operation.

To mitigate liquidity risk, the Treasury & Credit function:
- constantly assesses financial requirements to ensure the appropriate measures are taken in a timely manner (obtaining additional credit lines, capital increases, etc.);
- obtains adequate credit lines;
- ensures the appropriate composition of net financial

debt, i.e., investments are financed with medium-to-long-term debt (as well as with equity), and net working capital requirements are financed using short-term credit lines;
- includes the Company, where feasible, in cash pooling structures to optimize any excess liquidity of participating companies.

The following table provides information on financial liabilities, trade payables, other payables and derivatives broken down by maturity.

The maturities are determined based on the period from the reporting date to the expiry of the contractual obligations. The amounts shown in the table reflect undiscounted cash flows and the fair value of existing derivative liabilities.

For fixed- and variable-rate financial liabilities, both principal and interest were considered for the different maturity periods; for variable-rate liabilities, the rate at 31 December 2024 plus the relevant spread was used.

(euro thousand)	Carrying value	Contractual cash flows	Within 1 year	From 1 to 5 years	Beyond 5 years
Non-derivative financial liabilities					
Short-term credit lines and bank overdrafts	1,691	1,691	1,691	0	0
Payables to banks (loans and bonds)	737,263	795,495	181,767	602,449	11,279
Payables to other financial institutions	391	393	262	131	0
Finance leases	95,337	95,337	77,000	9,546	8,791
Other financial liabilities	194,658	194,658	194,658	0	0
Trade and other payables	329,020	329,020	329,020	0	0
Derivative financial liabilities					
Derivatives	1,909	1,909	1,909	0	0
Total	**1,360,269**	**1,418,503**	**786,307**	**612,126**	**20,070**

Some of the Brembo N.V.'s loan agreements require the satisfaction of financial covenants and the obligation to meet certain financial ratio levels at consolidated level.

In detail, the following covenant and relevant maximum threshold are to be complied with:
- Net financial debt/Gross operating income not exceeding 4.5.

If the covenant is not met, the financial institutions can request early repayment of the relevant loan.
The value of this covenant is monitored at the end of each quarter, and at 31 December 2024 the Company had complied with the covenant in question by a considerable margin.

Management believes that currently available lines of credit, apart from the cash flow generated by operating activities will allow Brembo N.V. to meet its financial requirements arising from investing activities, working capital management, and the payment of payables at their natural maturities.
In further detail, at 31 December 2024, unused bank credit facilities accounted for 99% (99% in 2023) of total available credit facilities (€420 million at the reporting date; €420 million in 2023).

Credit Risk

Credit risk is the risk that a customer or one of the parties to a financial instrument will cause a financial loss by failing to perform an obligation. Exposure to credit risk for Brembo N.V. arises mainly in relation to trade receivables. Most parties with which Brembo N.V. does business are leading car and motorbike manufacturers with high credit standings.
Brembo N.V. evaluates the creditworthiness of all new customers using assessments from external sources and then assigns a credit limit.

Fair Value Measurement

To complete the disclosure of financial risks, the following information is provided:
a) the fair value hierarchy for the Company's assets and liabilities:

	31.12.2024			31.12.2023		
(euro thousand)	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss:						
Current derivatives	0	91	0	0	3,152	0
Hedging derivatives:						
Current derivatives	0	23,894	0	0	9,797	0
Non-current derivatives	0	4,565	0	0	9,097	0
Total financial assets measured at fair value	**0**	**28,550**	**0**	**0**	**22,046**	**0**
Financial liabilities measured at fair value:						
Current derivatives	0	(1,598)	0	0	(160)	0
Hedging derivatives:						
Current derivatives	0	(9)	0	0	0	0
Non-current derivatives	0	(302)	0	0	0	0
Total financial liabilities measured at fair value	**0**	**(1,909)**	**0**	**0**	**(160)**	**0**
Assets (liabilities) for which fair value is indicated:						
Current and non-current payables to banks	0	(756,388)	0	0	(609,105)	0
Current and non-current lease liabilities	0	(95,337)	0	0	(64,379)	0
Other current and non-current financial liabilities	0	(391)	0	0	(58,104)	0
Total assets (liabilities) for which fair value is indicated	**0**	**(852,116)**	**0**	**0**	**(731,588)**	**0**

b) a reconciliation between the classes of financial assets and liabilities identified in the Company's Statement of Financial Position and the types of financial assets and liabilities identified based on the requirements of IFRS 7:

(euro thousand)	31.12.2024	31.12.2023
FINANCIAL ASSETS		
Financial assets at fair value through profit or loss		
Current derivatives	91	3,152
Financial assets at amortized cost		
Other non-current receivables	3,247	1,769
Current trade receivables	286,734	272,292
Other current receivables	263,887	264,032
Cash and cash equivalents	604,748	235,903
Financial assets measured at fair value through other comprehensive income (FVOCI)		
Other financial assets at fair value through other comprehensive income	914	278,446
Hedging derivatives		
Current derivatives	23,894	9,797
Non-current derivatives	4,565	9,097
Total financial assets	**1,188,080**	**1,074,488**

(euro thousand)	31.12.2024	31.12.2023
FINANCIAL LIABILITIES		
Financial liabilities at fair value through profit or loss		
Current derivatives	(1,598)	(160)
Financial liabilities measured at amortized cost		
Non-current payables to banks and other financial institutions (excluding lease payables)	(574,367)	(487,357)
Other non-current payables	0	(1,788)
Current payables to banks and other financial institutions (excluding lease payables)	(164,978)	(168,559)
Trade payables	(246,879)	(286,053)
Other current payables	(276,799)	(222,855)
Lease payables		
Long-term lease liabilities	(18,337)	(57,855)
Current lease payables	(77,000)	(6,524)
Hedging derivatives		
Non-current derivatives	(302)	0
Current derivatives	(9)	0
Total financial liabilities	**(1,360,269)**	**(1,231,151)**

The approach used to calculate fair value is the present value of the future cash flows expected to derive from the instrument being measured, determined by discounting the scheduled instalments at a rate equal to the forward rate curve applicable to each account payable.

In detail:

- loans and payables to other lenders with a duration of more than 12 months were measured at fair value determined by applying the forward rates curve to the residual duration of the loan;
- receivables, trade payables, held-to-maturity financial assets, and payables and receivables to and from banks due within 12 months were measured at their carrying amounts, inasmuch as this is believed to approximate fair values.

RELATED PARTIES

The Company carries out transactions with parents, subsidiaries, associates, joint ventures, directors and key management personnel. The Parent Brembo N.V. is a subsidiary of Nuova FourB S.r.l., which holds 76.56% of its voting rights.
Sales of products, supply of services and transfers of fixed assets among related parties were carried out at prices reflecting fair market conditions.

The trading volumes reflect the internationalization process aimed at constantly improving both operating and organizational standards and optimising synergies within the Company.

From a financial standpoint, the subsidiaries operate independently, although some benefit from various forms of centralized financing.
Since 2008, a zero-balance cash-pooling system has been effective, with Brembo N.V. as the pool leader and the participation of 13 companies. Cash pooling zero balance structures allow Brembo group to optimize net working capital management (i.e. management of short term financial needs or excess liquidity). Operatingly, cash pooling mechanism consists in concentrating the available cash on a single legal entity (the pooler Brembo N.V.), which will subsequently allocate any surplus to the companies which have a financial need, with a consequent reduction of total financial costs.
Annex 3 contains a summary of related party transactions as they relate to balances of the Statement of Income and the Statement of Financial Position.

The following table summarizes the remuneration received by the members of the Board of Directors for the year ended 31 December 2024 from Brembo, in line with the total remuneration determined by the shareholders' meeting on 23 April 2024, and with the allocation defined by the Board of Directors. Furthermore, none of the Directors were granted personal loans or advanced payments.

		Fixed remuneration (€)						
Name	Office held	Annual fee	Fringe benefits	STIP (€)	Extraordinary items (€)	Pension benefits[1] (€)	LTIP[2] (€)	Total remuneration (€)
Matteo Tiraboschi	Executive Chairman	1,300,000.00	21,703.26	1,300,000.00		43,842.79 [3]	1,950,000.00	4,615,546.05
Daniele Schillaci	CEO	1,300,000.00	8,383.57	1,300,000.00	600,000.00[4]	289,935.47	1,950,000.00	5,448,319.04
Cristina Bombassei	Executive Director	256,678.12	2,063.27	102,422.86		13,356.41[5]	90,839.00	465,359.66
Roberto Vavassori	Executive Director	350,000.10	5,692.69	163,490.46		15,760.57[6]	217,500.00	752,443.82
Total	**Executive directors**	**3,206,678.22**	**37,842.79**	**2,865,913.32**	**600,000.00**	**362,895.24**	**4,208,339.00**	**11,281,668.57**
Giancarlo Dallera	Non-Executive Director	80,000.00	-	-	-	-	-	80,000.00
Michela Schizzi	Non-Executive Director	85,000.00	-	-	-	-	-	85,000.00
Umberto Nicodano	Non-Executive Director	60,000.00	-	-	-	-	-	60,000.00
Elizabeth Marie Robinson	Non-Executive Director	75,000.00	-	-	-	-	-	75,000.00
Gianfelice Rocca	Non-Executive Director	60,000.00	-	-	-	-	-	60,000.00
Elisabetta Magistretti	Non-Executive Director	120,000.00	-	-	-	-	-	120,000.00
Manuela Soffientini	Lead Non-Executive Director	130,000.00	-	-	-	-	-	130,000.00
Total	**Non-Executive Directors**	**610,000.00**	**-**	**-**	**-**	**-**	**-**	**610,000.00**
Total		**3,816,678.22**	**37,842.79**	**2,865,913.32**	**600,000.00**	**362,895.24**	**4,208,339.00**	**11,891,668.57**

COMMITMENTS

Contractual commitments for investments in property, plant and equipment and intangible assets already entered into with third parties at 31 December 2024 and not yet recognized in the Separate Financial Statements amounted to €27,228 thousand.

POSITIONS OR TRANSACTIONS FROM ATYPICAL AND/OR UNUSUAL OPERATIONS

It is hereby specified that during 2023 the Company did not carry out any atypical and/or unusual transactions, as defined by the said Notice.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

On 2 January 2025, Brembo, further to the announcement made on 11 October 2024, completed the acquisition of a 100% stake in Öhlins Racing, the leading manufacturer of premium, high-performance suspension technology for motorcycles and cars in the Original Equipment, Motorsport, and Aftermarket segments. The value of the transaction corresponds to an enterprise value of USD 405 million, on a cash free/debt free basis, subject to the customary adjustment mechanisms which will be completed within the next 135 days. The payment of the consideration was made entirely using available cash.

No other significant events occurred after 31 December 2024 and up to 18 March 2025.

1 The figures take into account the taxable value, after deducting charges.
2 The LTIP 2022-2024 provides a single grant and one-time payout. This table shows the LTIP values for 2024 only, according to the accounting principle of provisioning.
3 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.
4 In the Extraordinary items are included €500,000 related to strategic yearly bonus paid in 2024 and €100,000 as housing allowance.
5 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.
6 It represents the additional amount that the Company pays, as required by Italian law, to pension funds.

5.4.3 ANALYSIS OF EACH ITEM

STATEMENT OF FINANCIAL POSITION

1. PROPERTY, PLANT, EQUIPMENT AND RIGHT OF USE ASSETS

Property, Plant and Equipment

The changes in property, plant and equipment are shown in the table below and described in this section.

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	21,124	94,560	394,499	188,240	29,217	9,529	**737,169**
Accumulated depreciation	0	(55,101)	(279,849)	(166,726)	(24,808)	0	**(526,484)**
Write-down provision	0	0	(128)	(18)	0	0	**(146)**
Balance at 1 January 2023	**21,124**	**39,459**	**114,522**	**21,496**	**4,409**	**9,529**	**210,539**
Changes:							
Reclassifications	0	1,276	5,284	1,401	158	(9,402)	**(1,283)**
Additions	5,489	37,083	31,670	14,830	1,798	18,503	**109,373**
Disposals historical cost	0	(54)	(6,337)	(1,136)	(205)	0	**(7,732)**
Disposals accumulated depreciation	0	45	6,285	1,119	205	0	**7,654**
Other	0	0	0	(4,260)	0	0	**(4,260)**
Depreciation	0	(3,165)	(25,142)	(9,919)	(1,329)	0	**(39,555)**
Impairment losses	0	(177)	(7)	0	0	0	**(184)**
Total changes	**5,489**	**35,008**	**11,753**	**2,035**	**627**	**9,101**	**64,013**
Historical cost	26,613	132,865	425,116	203,335	30,968	18,630	**837,527**
Accumulated depreciation	0	(58,221)	(298,706)	(175,526)	(25,932)	0	**(558,385)**
Write-down provision	0	(177)	(135)	(4,278)	0	0	**(4,590)**
Balance at 31 December 2023	**26,613**	**74,467**	**126,275**	**23,531**	**5,036**	**18,630**	**274,552**

(euro thousand)	Land	Buildings	Plant and machinery	Industrial and commercial equipment	Other assets	Assets in course of construction and payments on account	Total
Historical cost	26,613	132,865	425,116	203,335	30,968	18,630	**837,527**
Accumulated depreciation	0	(58,221)	(298,706)	(175,526)	(25,932)	0	**(558,385)**
Write-down provision	0	(177)	(135)	(4,278)	0	0	**(4,590)**
Balance at 1 January 2024	**26,613**	**74,467**	**126,275**	**23,531**	**5,036**	**18,630**	**274,552**
Changes:							
Reclassifications	0	4,947	11,262	1,138	95	(17,523)	**(81)**
Additions	0	5,904	21,613	8,986	2,302	9,203	**48,008**
Disposals historical cost	0	(69)	(10,627)	(1,809)	(337)	0	**(12,842)**
Disposals accumulated depreciation	0	62	9,940	1,117	337	0	**11,456**
Other	0	0	0	642	0	0	**642**
Depreciation	0	(3,904)	(26,972)	(11,056)	(1,435)	0	**(43,367)**
Impairment losses	0	0	(293)	0	(3)	0	**(296)**
Total changes	**0**	**6,940**	**4,923**	**(982)**	**959**	**(8,320)**	**3,520**
Historical cost	26,613	143,647	447,364	211,650	33,028	10,310	**872,612**
Accumulated depreciation	0	(62,063)	(315,738)	(185,465)	(27,030)	0	**(590,296)**
Write-down provision	0	(177)	(428)	(3,636)	(3)	0	**(4,244)**
Balance at 31 December 2024	**26,613**	**81,407**	**131,198**	**22,549**	**5,995**	**10,310**	**278,072**

In 2024, investments in tangible fixed assets amounted to €48,008 thousand and referred to transactions for purchasing machinery and for manufacturing equipment intended for the maintenance of production plants.
Net disposals amounted to €1,386 thousand, mainly referring to the sale and scrapping of plant and machinery.

Capital gains totalled €258 thousand overall, whereas capital losses were €631 thousand.
Total depreciation amounted to €43,367 thousand, up compared to the previous year due to the investments made in recent years (2023: €39,555 thousand).

Right of use assets

The following table shows the movements in item "Right of use assets":

(euro thousand)	Buildings	Other assets	Total
Historical cost	80,386	11,682	**92,068**
Accumulated depreciation	(20,133)	(7,275)	**(27,408)**
Balance at 1 January 2023	**60,253**	**4,407**	**64,660**
Changes:			
New contracts/leases for the period	0	841	**841**
Adjustments on historical cost	3,773	(45)	**3,728**
Unwinding of lease contract – historical cost	0	(4,616)	**(4,616)**
Unwinding of lease contract – accumulated depreciation	0	4,586	**4,586**
Depreciation	(5,419)	(2,579)	**(7,998)**
Total changes	**(1,646)**	**(1,813)**	**(3,459)**
Historical cost	84,159	7,862	**92,021**
Accumulated depreciation	(25,552)	(5,268)	**(30,820)**
Balance at 1 January 2024	**58,607**	**2,594**	**61,201**
Changes:			
New contracts/leases for the period	7,090	4,297	**11,387**
Adjustments on historical cost	27,137	(10)	**27,127**
Unwinding of lease contract – historical cost	0	(3,918)	**(3,918)**
Unwinding of lease contract – accumulated depreciation	0	3,918	**3,918**
Depreciation	(6,093)	(2,086)	**(8,179)**
Total changes	**28,134**	**2,201**	**30,335**
Historical cost	118,386	8,231	**126,617**
Accumulated depreciation	(31,645)	(3,436)	**(35,081)**
Balance at 31 December 2024	**86,741**	**4,795**	**91,536**

The increases mainly refer to new contracts subscribed for a new building in Stezzano.
The adjustment on the historical cost refers mainly to the change in the right of use of the property in Stezzano following the decision to proceed with the purchase of the same, which will be completed in early 2025.
Note 13 provides information on the financial commitment with respect to leased assets.

2. INTANGIBLE ASSETS

The changes in intangible assets are shown in the table below and described in this section.

(euro thousand)	Development costs	Industrial patents and similar rights **(A)**	Other intangible assets **(B)**	Total other intangible assets **(A + B)**	Total
Historical cost	243,348	44,758	108,255	153,013	**396,361**
Accumulated amortization	(153,371)	(32,969)	(92,599)	(125,568)	**(278,939)**
Write-down provision	(6,588)	(2,589)	0	(2,589)	**(9,177)**
Balance at 1 January 2023	**83,389**	**9,200**	**15,656**	**24,856**	**108,245**
Changes:					
Reclassifications	0	400	699	1,099	**1,099**
Additions	21,446	1,859	11,922	13,781	**35,227**
Disposals historical cost	0	0	(18)	(18)	**(18)**
Disposals accumulated depreciation	0	0	18	18	**18**
Other	0	2	0	2	**2**
Depreciation	(16,451)	(1,844)	(5,444)	(7,288)	**(23,739)**
Impairment losses	(2,414)	0	0	0	**(2,414)**
Total changes	**2,581**	**417**	**7,177**	**7,594**	**10,175**
Historical cost	264,794	47,017	120,858	167,875	**432,669**
Accumulated amortization	(169,822)	(34,811)	(98,025)	(132,836)	**(302,658)**
Write-down provision	(9,002)	(2,589)	0	(2,589)	**(11,591)**
Balance at 1 January 2024	**85,970**	**9,617**	**22,833**	**32,450**	**118,420**
Changes:					
Reclassifications	0	335	(335)	0	**0**
Additions	24,971	1,668	12,504	14,172	**39,143**
Other	0	8	0	8	**8**
Depreciation	(17,253)	(2,047)	(5,601)	(7,648)	**(24,901)**
Impairment losses	(2,528)	0	0	0	**(2,528)**
Total changes	**5,190**	**(36)**	**6,568**	**6,532**	**11,722**
Historical cost	289,765	49,020	133,027	182,047	**471,812**
Accumulated amortization	(187,075)	(36,850)	(103,626)	(140,476)	**(327,551)**
Write-down provision	(11,530)	(2,589)	0	(2,589)	**(14,119)**
Balance at 31 December 2024	**91,160**	**9,581**	**29,401**	**38,982**	**130,142**

Development costs

Item "Development costs" includes costs for development, internal and external, for an initial amount of €289,765 thousand. During the reporting year, this item changed due to higher costs incurred in 2024 for development orders received both during the year and in previous years, for which additional development costs were incurred. Amortization amounting to €17,253 thousand was recognized for development orders for products under production.
The gross amount of costs includes development activities for projects underway totalling €54,960 thousand.
The total amount of costs for capitalized internal works charged to the Statement of Income amounted to €24,971 thousand.
Impairment losses totalled €2,528 thousand and are recognized in the Statement of Income under "Amortization, depreciation and impairment losses."
Impairment losses refer to development costs incurred in relation to projects that, consistent with the desire of the customer or Brembo N.V., were not completed or underwent changes in terms of their end destination.

Other intangible assets

Item "Industrial patents and similar rights" rose by €1,668 thousand, due to the acquisition of new patents, the application for the filing of new patents or the filing of existing patents in other countries, in addition to the acquisition of rights.
The increase in item "Other intangible assets" was chiefly attributable to the costs incurred to purchase software and develop the Digital Transformation plan.

3. SHAREHOLDINGS

The following table shows the changes in item "Shareholding", broken down by subsidiaries, associates and joint ventures:

SUBSIDIARIES (euro thousand)	31.12.2023	Acquisitions and new shareholdings	Sale	Write-ups/ Write-downs	31.12.2024
AP Racing Ltd.	30,720	-	-	-	30,720
Brembo Australia Pty Ltd.	-	189	-	-	189
Brembo Brake India Pvt. Ltd.	17,364	-	-	-	17,364
Brembo Czech S.r.o.	46,398	25,004	-	-	71,402
Brembo Deutschland GmbH	145	-	-	-	145
Brembo do Brasil Ltda.	18,044	-	-	9,645	27,689
Brembo France S.a.s.	-	50	-	-	50
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	79,632	-	-	-	79,632
Brembo Inspiration Lab Corp.	249	-	-	-	249
Brembo Japan Co. Ltd.	79	-	-	-	79
Brembo México S.A. de C.V.	12,579	-	-	-	12,579
Brembo Nanjing Brake Systems Co. Ltd.	68,255	-	-	-	68,255
Brembo (Nanjing) Automobile Components Co. Ltd.	19,284	-	-	-	19,284
Brembo North America Inc.	24,367	-	-	-	24,367
Brembo Poland Spolka Zo.o.	17,903	-	-	-	17,903
Brembo Reinsurance AG	12,033	-	-	-	12,033
Brembo Russia LLC	26	-	-	-	26
Brembo Scandinavia A.B.	557	-	-	-	557
Brembo Thailand Ltd	2,372	4,817	-	-	7,189
Corporación Upwards '98 S.A.	4,648	-	-	-	4,648
J.Juan S.A.U.	76,395	-	-	-	76,395
La.Cam (Lavorazioni Camune) S.r.l.	4,100	-	-	-	4,100
SBS Friction A/S	18,246	-	-	-	18,246
Qingdao Brembo Trading Co. Ltd.	135	-	-	-	135
Total	**453,531**	**30,060**	**-**	**9,645**	**493,236**

ASSOCIATES (euro thousand)	31.12.2023	Acquisitions and new shareholdings	Sale	Write-ups/ Write-downs	31.12.2024
Brembo SGL Carbon Ceramic Brakes S.p.A.	24,243	-	-	-	24,243
Infibra Technologies S.r.l.	800	-	-	-	800
Petroceramics S.p.A.	500	-	-	-	500
Shandong BRGP Friction Technology Co. Ltd.	5,628	2,733	-	-	8,361
Total	**31,171**	**2,733**	**-**	**-**	**33,904**

In April 2024 Brembo released the second capital contribution for €2,881 thousand to Brembo Thailand Ltd and in October 2024 a new capital injection of €1,936 thousand was disbursed. The company will manufacture and market brake systems for motorbikes.

On 9 July 2024, Brembo funded Brembo France Sas with a capital contribution of €50 thousand. The company promotes the sale of brake discs for the car sector, destined exclusively for the aftermarket.

On 4 October 2024 Brembo released to Brembo Australia Pty Ltd. a capital injection of €189 thousand. The company carries out marketing activities for the aftermarket only.

During 2024, Brembo disbursed €25,004 thousand to Brembo Czech S.r.o. in order to provide the company with the necessary resources to operate.

On 22 April 2024, Brembo contributed €2,733 thousand to the capital increase of Shandong BRGP Friction Technology Co. Ltd., which is dedicated to the large-scale manufacturing of innovative aftermarket pads for the car and commercial vehicle segments.

The shareholding in Brembo do Brazil Ltda., which was reduced in 2015 and 2016 for a total amount of €27,427 thousand following an impairment loss, has been partially write-up for €9,644 thousand during the reporting year. The Company has progressively grown over the years, covering all the past losses accumulated in the equity. The net value of the investment has thus been adjusted to the net equity of the subsidiary as of 31 December.

In the reporting year, impairment indicators were identified with reference to the subsidiaries SBS Friction A/S, Brembo Czech S.r.o. and J.Juan S.A.U.

Future cash flows used for the calculation are based on management's most recent operating and financial plans. In particular, in defining the future cash flows reference was made to the 2025 Budget and the 2026-2028 Industrial Plan approved by Brembo N.V.'s Board of Directors in January 2025 and July 2024, respectively.

The main assumptions that determined the test outcome were a WACC rate of 8.91% (9.79% in 2023) and growth rate (g-rate) used in determining terminal value of 1.5% (1.5% in 2023).

The previously mentioned impairment tests did not indicate the need to recognize any impairment loss in the reporting year.

In the event of a change in the growth rate from 1.5% to 1% or a decline in sales volumes/margins of 5%-10%, no equity investments that had not been previously subject to impairment would be impaired, whereas a change in the WACC from 8.91% to 9.91% would require a write-down of the equity investment in Brembo Czech S.r.o. for €11,342 thousand.

4. INVESTMENTS IN OTHER COMPANIES, DERIVATIVES AND OTHER NON-CURRENT FINANCIAL ASSETS

Other financial assets at 31 December 2024 are broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Investments in other companies measured at fair value	914	278,446
Investments in other companies measured at cost	2,727	1,686
Derivatives measured at fair value	4,565	9,097
Other	69	49
Total	**8,275**	**289,278**

Item "Investments in other companies measured at fair value" refers to 10,33% interest held in E-Novia S.p.A. amounting to €914 thousand.
The change in value compared to 31 December 2023 was mainly due to the sale of the entire stake of ordinary shares of Pirelli & C. S.p.A. Brembo placed 55,800,000 Pirelli ordinary shares to institutional investors, equal to approximately 5.58% of the Company's issued share capital, at a price of € 5.07 per share for € 282,906 thousands booked at fair value through other comprehensive income.

The change in item "Investments in other companies measured at cost" referred mainly to the acquisition for €996 thousand of a 2.11% interest in Spoke Safety Inc, a company focussed on the road safety and rider connectivity by delivering the first connected IoT ecosystem for the vulnerable road users.
In the reporting year, €45 thousand was allocated to the 360 Polimi fund.

Item "Derivatives" refers for €4,565 thousand to the non-current portion of the fair value of two IRSs entered into directly by the Company, for a remaining notional amount of €50 million and €175 million, respectively, at 31 December 2024, hedging the change in interest rate risk associated with a specific outstanding loan. These IRSs fall within the requirements set forth in the accounting standards relating to hedge accounting (cash flow hedge). The change in fair value compared to 31 December 2023, attributable to the interest rate curve and the lower duration of contracts, was recognized as a component of comprehensive income, net of the tax effect, given that the hedge is fully effective.

5. RECEIVABLES AND OTHER NON-CURRENT ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Other non-current assets	417	0
Income tax receivables	4,318	5,759
Non-income tax receivables	34	34
Total	**4,769**	**5,793**

Item "Other non-current assets" refers to contributions towards clients for the acquisition of long-term exclusive supply arrangements, which were released to the Statement of Income in accordance with the supply schedule for the clients.

The item "Income tax receivables" referred primarily to tax credits that can be used beyond one year, granted on the purchase of new tangible assets that have already entered into operations and that fulfil the ex-Industry 4.0 requirements, in addition to other tax credits for which refunds have been requested.
At the end of 2023, tax credits were acquired without recourse from a supplier under the Italian Superbonus 110 tax credit scheme pursuant to Article 119 of Decree Law No. 34/2020 — options from 1 April 2023, equal to €3,478 thousand overall, to be used in 4 annual instalments starting from 2024, whose non-current portion, amounting

to €1,739 thousand, has been classified to this item.

6. DEFERRED TAX ASSETS AND LIABILITIES

The deferred tax assets balance at 31 December 2024 included the value of deferred tax assets net of deferred tax liabilities. The item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Deferred tax assets	25,089	21,172
Deferred tax liabilities	(3,711)	(6,763)
Total	**21,378**	**14,409**

Movements for the year are reported in the following table:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**14,409**	**7,787**
Deferred tax liabilities generated	(22)	(50)
Deferred tax assets generated	8,008	5,023
Use of deffered tax assets and liabilities	(4,013)	(982)
Other movements	2,996	2,631
Balance at end of period	**21,378**	**14,409**

Deferred tax assets and liabilities were generated mainly due to temporary differences on accelerated amortization and depreciation, capital gains with deferred taxation, other expense and income items subject to future tax deductions or taxation, and to other differences due to application of international accounting standards.
"Other movements" include changes in deferred tax liabilities on items that have an impact on equity and are therefore transferred to the statement of other comprehensive income, mainly due to hedging derivatives, the measurement at fair value of the equity investment in Pirelli and E-Novia and the recognition pursuant to IAS 19 (OIC) relating to the discounting of the employees' leaving indemnity.

The nature of temporary differences that generated deferred tax assets and liabilities is detailed below:

	Assets		Liabilities		Net	
(euro thousand)	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Property, plant, equipment and other equipment	0	0	328	347	(328)	(347)
Equity shareholdings	0	0	0	803	0	(803)
Other financial assets	0	0	29	29	(29)	(29)
Receivables from customers and from subsidiary companies	966	0	0	0	966	0
Inventories	12,710	12,343	0	0	12,710	12,343
Financial liabilities	0	0	2,258	4,460	(2,258)	(4,460)
Other financial liabilities	424	394	0	0	424	394
Provisions	2,787	2,842	0	0	2,787	2,842
Provisions for employee benefits	8,164	5,553	1,096	1,124	7,068	4,429
Other	38	40	0	0	38	40
Total	**25,089**	**21,172**	**3,711**	**6,763**	**21,378**	**14,409**

7. INVENTORIES

A breakdown of net inventories, which are stated net of the inventory write-down provision, is shown below:

(euro thousand)	31.12.2024	31.12.2023
Raw materials	45,313	46,574
Work in progress	37,169	39,183
Finished products	96,143	93,707
Goods in transit	19,704	16,552
Total	**198,329**	**196,016**

Movements in the inventory write-down provision, amounting to €45,556 thousand at 31 December 2024, are reported in the following table:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**44,240**	**46,091**
Provisions	6,627	1,809
Use/Release	(5,311)	(3,660)
Balance at end of period	**45,556**	**44,240**

The inventory write-down provision is determined in order to align the cost of inventories to their estimated realisable value.

8. TRADE RECEIVABLES

At 31 December 2024, the balance of trade receivable, net of the related write-down provision, compared to the previous year was as follows:

(euro thousand)	31.12.2024	31.12.2023
Receivables from customers	118,660	131,207
Receivables from subsidiary companies	165,759	137,996
Receivables from associates and joint ventures	2,315	3,089
Total	**286,734**	**272,292**

Credit risk is not concentrated in any one area, as the Company has a well-diversified portfolio of clients with high credit standing.

Movements in the provision for bad debts are given in the following table:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**1,845**	**1,373**
Provisions	5,500	582
Use/Release	(367)	(110)
Balance at end of period	**6,978**	**1,845**

The increase of provision is due to legal restructuring proceeding with self-administration of a primary OE producer.

Brembo N.V.'s maximum credit risk exposure is the book value of the financial assets recognized in the financial statements, net of any amounts offset in accordance with IAS 32 and any impairment losses recognized in accordance with IFRS 9, gross of the related provision.
It bears noting that Brembo N.V. has no credit insurance contracts as its main business partners are leading car and motorbike manufacturers with high credit standing.

To mitigate commercial credit risk towards third parties, the Company applies procedures for assessing their financial solidity. These involve an analysis of the last three annual financial statements available, with the assignment of the relevant rating and commercial credit limit. Operating credit management is entrusted to a dedicated team that performs thorough checks on past-due accounts, involving the Sales Departments to which the customers are assigned as necessary.

To express creditworthiness, the Company has elected to distinguish between clients who are listed or not listed on the stock exchange. Listed clients are those listed on a stock market, directly or indirectly controlled by a listed company or closely connected to listed companies.

(euro thousand)	31.12.2024	31.12.2023
Listed clients	276,903	262,930
Unlisted clients	16,809	11,207
Total	**293,712**	**274,137**

The following table provides details on trade receivables that have not been adjusted for impairment, broken down by maturity.

Listed clients

(euro thousand)	31.12.2024	Write-down 2024	31.12.2023	Write-down 2023
Current	232,469	3,196	254,703	0
Expired by up to 30 days	1,700	716	1,322	0
Expired by 30 to 60 days	36,419	915	3,707	0
Expired by over 60 days	6,315	1,164	3,198	855
Total	**276,903**	**5,991**	**262,930**	**855**
% ratio of expired receivables not written down to total exposure	*15.0%*		*2.8%*	
Total expired receivables, not written down	**41,639**		**7,372**	

Unlisted clients

(euro thousand)	31.12.2024	Write-down 2024	31.12.2023	Write-down 2023
Current	12,542	0	7,142	0
Expired by up to 30 days	500	0	662	0
Expired by 30 to 60 days	1,464	0	1,360	0
Expired by over 60 days	2,303	987	2,043	990
Total	**16,809**	**987**	**11,207**	**990**
% ratio of expired receivables not written down to total exposure	*19.5%*		*27.4%*	
Total expired receivables, not written down	**3,280**		**3,075**	

Expired receivables from listed clients mainly refer to leading OE manufacturers. The repayment plans of the expired receivables that have not been written down, were almost fully set, and therefore there are no recoverability risks. In particular the increase of the past due is related to Intercompany position duly settled at the begin of the year 2025.

With regard to the portion of expired receivables from unlisted clients that have not been written down, most of this amount has already been collected in the first months of 2025.

9. OTHER RECEIVABLES AND CURRENT ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Income tax receivables	21,248	11,671
Non-income tax receivables	5,629	5,278
Other receivables	15,161	13,018
Total	**42,038**	**29,967**

The change in income tax receivables, net of tax payables (Note 18), is reported below:

(euro thousand)	31.12.2024	31.12.2023
Balance at beginning of period	**10,321**	**31,268**
Current taxes	(34,309)	(35,917)
Current taxes - previous years	(2,755)	303
Payments	44,869	11,796
Other movements	3,122	2,871
Balance at end of period	**21,248**	**10,321**

Income tax receivables increased by €9,577 thousand in 2024 compared to year-end 2023. In 2024 there was a decrease in taxable income despite of an increase in sales. The tax prepayments calculated with the historical method were higher than the actual current taxes due and thus contributing to the increase in the residual value of these receivables at the end of the year.
Item "Income tax receivables" includes the receivable recognized in prior years in relation to the application of an IRES refund, concerning the non-deductibility for IRAP purposes of personnel expenses, and other applications for IRES and IRAP refund, for a total residual amount of €951 thousand.
Item "Non-income tax receivables" primarily refers to VAT receivables.

10. DERIVATIVES AND OTHER CURRENT FINANCIAL ASSETS

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Receivables from subsidiaries and associates	243,025	245,672
Derivatives measured at fair value	23,985	12,949
Security deposits	72	65
Total	**267,082**	**258,686**

Item "Receivables from subsidiaries and associates" includes loans to Group companies, in addition to any receivables to companies participating in the centralized treasury system (cash pooling), effective since 2008, with Brembo N.V. as pool leader.

In detail, loans have been issued in favour of:
- Brembo Czech S.r.o. for an amount of CZK 1,750,000 thousand (€69,486 thousand) and of €40,000 thousand;
- Brembo México S.A. de C.V. for an amount of USD 90,000 thousand (€86,630 thousand);
- SBS Friction A/S for an amount of €7,000 thousand.

This item accounted also for receivables to companies participating in the centralized treasury system (cash pooling), totalling €29,654 thousand.

Derivatives referred mainly to the fair value of currency forwards and to the short-term portion of interest rate swaps, and in particular:
- IRSs to hedge a medium-term loan of €175,000 thousand: fair value positive for €4,201 thousand;
- IRSs to hedge a medium-term loan of €50,000 thousand: fair value positive for €1,075 thousand;
- Currency forward to hedge forecast transactions of €18,618 thousand;
- Currency forwards to hedge an intercompany loan in favour of Brembo Czech S.r.o. for CZK 750,000 thousand: fair value positive for €91 thousand.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include:

(euro thousand)	31.12.2024	31.12.2023
Bank and postal account	604,685	235,850
Cash-in-hand and cash equivalents	63	53
Total cash and cash equivalents	**604,748**	**235,903**
Payables to banks: overdrafts	(1,691)	(4,738)
Cash and cash equivalents from the Statement of Cash Flow	**603,057**	**231,165**

The items listed above can be converted readily into cash and are not exposed to a significant risk that their value may change. It is deemed that the book value of cash and cash equivalents approximates their fair value at the reporting date.

The increase is mainly due to the sale of the shares of Pirelli S.p.A., as mentioned in note 4.

In addition to the amount recognized in the Statement of Cash Flows, it should be noted that interest paid in the year totalled €41,928 thousand (€23,396 thousand in 2023). This interest does not include the €11,332 thousand positive differentials on the IRSs entered into to hedge against the change in interest-rate risk on the variable-rate loans.

12. EQUITY

Equity amounted to €970,572 thousand at 31 December 2024, up €84,489 thousand compared to 2023.
For details on the related changes for the year, reference should be made to the dedicated accounting statement.

Share capital

The issued share capital amounted to €7,007 thousand at 31 December 2024. The table below shows the composition of the share capital and the number of shares outstanding at 31 December 2024:

	Issued share capital (euro)	No. shares making up the share capital	No. of voting right
Ordinary shares	3,339,222.50	333,922,250	333,922,250
Special voting shares A (*)	91,354.12	9,135,412	9,135,412
Special voting shares B (*)	3,576,625.42	178,831,271	357,662,542
Total	**7,007,202.04**	**521,888,933**	**700,720,204**

(*) For further information on the share capital, please see the Brembo website: Share Capital | Brembo Corporate.

As part of its buy-back plan, in the first semester Brembo bought back 4,387,303 ordinary own shares (€57,456 thousand), which, together with the 10,664,557 ordinary own shares already held, represent 4.51% of the ordinary own shares.

Statutory reserve

The statutory reserve, created in 2024 from share capital decrease, is aimed to generate a reserve for future issued of special voting share, without any need to amend the Articles of Association.

Legal reserve

Pursuant to Dutch law limitations exist relating to the distribution of shareholders' equity up to at least the total amount of the legal reserve.
As of 31 December 2024 the legal reserve amounted at €130,297 thousand and it is mainly composed by research and development capitalized costs.

Other reserves and retained earnings/(losses)

The resolution passed by the General Shareholders' Meeting of 23 April 2024 has been executed, allocating net income for 2023 of €139,265,254.39 as follows:
- to the Shareholders, a gross ordinary dividend of €0.30 per ordinary share outstanding, excluding own shares;
- the remaining amount carried forward.

Reconciliation statement of Brembo N.V.'s equity/result with consolidated equity/result

The reconciliation of Equity and Result for the year, as reported in the Parent's Financial Statements, and the Equity and Result for the year recognized in the Consolidated Financial Statements shows that the Group's Equity at 31 December 2024 was €1,323,902 thousand higher than the figure reported in the Brembo N.V.'s Financial Statements. Consolidated Net Result for the year, amounting to €262,603 thousand, was €98,851 thousand higher than that of Brembo N.V.

Economic results

(euro thousand)	Net income 2024	Equity at 31.12.2024	Net income 2023	Equity at 31.12.2023
Brembo N.V.	**163,752**	**970,572**	**139,265**	**886,084**
Consolidation adjustments:				
Equity of consolidated companies and allocation of their result	167,010	1,859,293	198,575	1,651,926
Goodwill and other allocated surplus	0	70,698	0	68,965
Elimination of infra-Group dividends	(56,270)	0	(35,780)	0
Book value of consolidated shareholdings	0	(605,634)	0	(578,510)
Valuation of shareholdings in associate companies/JVs measured using the equity method	1,335	32,193	7,084	30,571
Elimination of infra-Group income	(592)	(8,765)	(831)	(7,954)
Other consolidation adjustments	(8,914)	11,460	(1,014)	48,337
Equity and result for the year attributable to minority interests	(3,718)	(35,343)	(2,260)	(31,624)
Total consolidation adjustments	**98,851**	**1,323,902**	**165,774**	**1,181,711**
Group consolidated equity and result	**262,603**	**2,294,474**	**305,039**	**2,067,795**

13. FINANCIAL DEBT AND DERIVATIVES

This item is broken down as follows:

	31.12.2024			31.12.2023		
(euro thousand)	Due within one year	Due after one year	Total	Due within one year	Due after one year	Total
Payables to banks:						
– overdrafts	1,691	0	1,691	4,738	0	4,738
– loans	163,027	574,236	737,263	106,107	486,967	593,074
Total	**164,718**	**574,236**	**738,954**	**110,845**	**486,967**	**597,812**
Payables to associates and subsidiaries	194,658	0	194,658	147,766	0	147,766
Lease liabilities	77,000	18,337	95,337	6,524	57,855	64,379
Payables to other financial institutions	260	131	391	57,714	390	58,104
Derivatives measured at fair value	1,607	302	1,909	160	0	160
Total	**273,525**	**18,770**	**292,295**	**212,164**	**58,245**	**270,409**

Item "Payables to associates and subsidiaries" included payables to companies participating in the centralized treasury system (cash pooling), totalling €194,658 thousand.

Item "Derivatives measured at fair value" referred to:

- €172 thousand fair value of currency derivatives entered into to hedge intercompany loans amounting to CZK 1,000,000 thousand in favour of Brembo Czech S.r.o.;
- €1,284 thousand fair value of currency derivatives entered into to hedge intercompany loans amounting to USD 90,000 thousand in favour of Brembo México;
- €142 thousand fair value of currency forwards to hedge trade cash flows in USD;
- IRSs to hedge a medium-term loan of €100,000 thousand: fair value negative for €9 thousand.

At 31 December 2024, payables to banks were broken down as follows:

(euro thousand)	Amount at 31.12.2023	Amount at 31.12.2024	Portion due within one year	Portion due between 1 and 5 years	Portion due after 5 years
Payables to banks:					
BNL loan (€100 million)	75,288	50,143	25,149	24,994	0
BNL loan (€200 million)	205,009	174,849	49,930	124,919	0
Banca Popolare di Sondrio loan (€125 million)	88,237	62,939	25,445	37,494	0
ISP loan (€100 million)	74,754	49,882	24,924	24,958	0
Banca Popolare di Sondrio loan (€150 million)	149,786	149,849	37,439	112,410	0
Mediobanca loan (€100 million)	0	99,761	0	88,656	11,105
Mediobanca loan (€150 million)	0	149,840	140	149,700	0
Total payables to banks	**593,074**	**737,263**	**163,027**	**563,131**	**11,105**

The most significant transactions finalized in 2024 included the full draw-down of two medium-term loans of €100,000 thousand and €150,000 thousand contracted with Mediobanca.

For information on covenants and compliance with the parameters set by some loan agreements, reference should be made to section "Financial Risk Management – Liquidity Risk".

The table below shows the breakdown of "Other financial liabilities".

(euro thousand)	Amount at 31.12.2023	Amount at 31.12.2024	Portion due within one year	Portion due between 1 and 5 years	Portion due after 5 years
Payables to other financial institutions:					
Libra loan	648	391	260	131	0
Payables due to liquidation of shares subject to withdrawal	57,456	0	0	0	0
Total payables to other financial institutions	**58,104**	**391**	**260**	**131**	**0**
Lease liabilities	**64,379**	**95,337**	**77,000**	**9,546**	**8,791**
Total other financial liabilities	**122,483**	**95,728**	**77,260**	**9,677**	**8,791**

At 31 December 2023 Brembo N.V. recognized a payable to the shareholders that validly exercized the right of withdrawal. Debt was repaid on 31 January 2024. For further information, reference should be made to section "Significant events during the year".

With regard to payments relating to optional lease renewal periods not included in the calculation of liabilities at 31 December 2024, €13,977 thousand of lease instalments, relating solely to properties and due beyond five years, were not subject to discounting.

The following table shows the structure of loans towards banks and other financial institutions at 31 December 2024, broken down by annual interest rate and currency:

	31.12.2024			31.12.2023		
(euro thousand)	Fixed rate	Variable rate	Total	Fixed rate	Variable rate	Total
Euro towards third parties	325,144	412,510	737,654	338,401	312,777	651,178
Euro towards subsidiaries	-	-	-	-	-	-
Total	**325,144**	**412,510**	**737,654**	**338,401**	**312,777**	**651,178**

The average variable rate applicable to the Company's debt is 4.66% and the average fixed rate is 1.60%.

In the second half of 2024, Brembo N.V. entered into a new IRS, for notional amount of €100 million at 31 December 2024, hedging the change in interest rate risk associated with a specific outstanding loan. This IRS falls within the requirement set forth in the accounting standards relating to hedge accounting (cash flow hedge).

Changes in the Cash Flow Hedge Reserve, gross of tax effects and net of interest, are as follows:

(euro thousand)	31.12.2024	31.12.2023
Opening value	**(18,585)**	**(31,527)**
Releases of the fair value reserve	(20,773)	2,690
Releases of the reserve for payment/collection of differentials	11,332	10,252
Closing value	**(28,026)**	**(18,585)**

At 31 December 2024, IRS derivatives had an overall positive fair value of €9,530 thousand, entirely recognized in a cash flow hedge reserve, gross of tax effects. Moreover we include a positive fair value of €18,618 thousand consisting of a currency forward hedging a specific forecast transaction.

Net financial debt

The following table shows the reconciliation of the net financial debt at 31 December 2024 (€173,472 thousand) and at 31 December 2023 (€364,535 thousand) based on the layout prescribed by ESMA 32-382-1138 Guidelines of 4 March 2021 and specified in Consob Warning Notice 5/21 of 29 April 2021:

	(euro thousand)	31.12.2024	31.12.2023
A	Cash	604,748	235,903
B	Cash equivalents	0	0
C	Other current financial assets	248,464	258,686
D	**Liquidity (A + B + C)**	**853,212**	**494,589**
E	Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	275,216	216,902
F	Current portion of non-current financial debt	163,027	106,107
G	**Current financial debt (E + F)**	**438,243**	**323,009**
H	**Net current financial debt (G – D)**	**(414,969)**	**(171,580)**
I	Non-current financial debt (excluding current portion and debt instruments)	588,441	536,115
J	Debt instruments	0	0
K	Trade payables and other non-current payables	0	0
L	**Non-current financial debt (I + J + K)**	**588,441**	**536,115**
M	**Total financial debt (H + L)**	**173,472**	**364,535**

Item "Non-current financial debt (excluding the current portion and debt instruments)" includes the non-current component of IRS derivatives amounting to €4,263 thousand.

14. OTHER NON-CURRENT LIABILITIES

This item amounted to €1,788 thousand at 31 December 2023 and included social security payables relating to the 2022-2024 three-year incentive plan and it was totally reclassified in item Other current liabilities since the payment will be released during the next year.

15. PROVISIONS

This item is broken down as follows:

	31.12.2024			31.12.2023		
(euro thousand)	Provisions for contingencies and charges	Provision for product warranties	Total	Provisions for contingencies and charges	Provision for product warranties	Total
Balance at beginning of period	**13,343**	**5,696**	**19,039**	**3,953**	**6,278**	**10,231**
Provisions	26	500	**526**	3,926	534	**4,460**
Use/Release	(6,461)	(1,485)	**(7,946)**	(460)	(1,116)	**(1,576)**
Other	0	0	**0**	5,924	0	**5,924**
Balance at end of period	**6,908**	**4,711**	**11,619**	**13,343**	**5,696**	**19,039**
of which short-term			***5,264***			***9,469***

Provisions totalled €11,619 thousand, including the provision for product warranties for probable future costs linked to contractual warranties, supplemental customer indemnities — in connection with the Italian agency contract — and the valuation of risks related to litigation underway, as well as an estimate of liabilities that could arise as a result of tax litigation.

16. EMPLOYEE BENEFITS

The Company provides post-employment benefits through defined benefit plans.
Unfunded defined benefit plans include "Employees' leaving entitlement" exclusively up to 31 December 2006, date in which the latter started to be recognized as a defined benefit plan in light of the regulatory changes introduced.

Item "Other long-term benefits" includes the liability associated with the 2022-2024 three-year incentive plan reserved for top managers, to be settled in May 2025.

Liabilities at 31 December 2024 are given in the table below:

	31.12.2024			31.12.2023		
(euro thousand)	Employees' leaving indemnity	Other long-term benefits	Total	Employees' leaving indemnity	Other long-term benefits	Total
Balance at beginning of period	**12,332**	**16,519**	**28,851**	**12,071**	**6,071**	**18,142**
Provisions	0	9,300	**9,300**	0	10,662	**10,662**
Use/Release	(795)	0	**(795)**	(802)	0	**(802)**
Interest expense	398	535	**933**	467	(214)	**253**
Other	(34)	0	**(34)**	596	0	**596**
Balance at end of period	**11,901**	**26,354**	**38,255**	**12,332**	**16,519**	**28,851**

As stated above, effective 1 January 2007, the 2007 Finance Law and the related implementing decrees introduced some changes to the regulations governing employees' leaving entitlement, including the possibility for workers to choose where to allocate their employees' leaving entitlement.

The following table shows the main items relating to employees' leaving indemnity and a reconciliation between the liability recognized in the Statement of Financial Position, the cost recognized in the Statement of Income and in the Statement of Comprehensive Income, and the main actuarial assumptions used:

(euro thousand)	31.12.2024	31.12.2023
A. Change in defined benefit obligation		
1. Defined benefit obligation at end of prior year	**12,332**	**12,071**
3. Interest expense	398	467
4. Cash flows		
Benefit payments from employer	(795)	(802)
6. Remeasurements		
Effect of changes in financial assumptions	(34)	596
8. Defined benefit obligation at end of year	**11,901**	**12,332**
B. Change in fair value of plan assets		
3. Cash flows		
Total employer contributions		
Employer direct benefit payments	795	802
Benefit payments from employer	(795)	(802)
E. Amounts recognized in the statement of financial position		
1. Defined benefit obligation	11,901	12,332
3. Funded status	11,901	12,332
5. Net liability (asset)	11,901	12,332
F. Components of defined benefit cost		
2. Net interest cost		
Interest expense on DBO	398	467
Total net interest cost	398	467
5. Defined benefit cost included in P&L	398	467
6. Remeasurements (recognized in other comprehensive income)		
Effect of changes in financial assumptions	(34)	596
Total remeasurements included in OCI	(34)	596
7. Total defined benefit cost recognized in P&L and OCI	364	1,063
G. Net defined benefit liability (asset) reconciliation		
1. Net defined benefit liability (asset)	12,332	12,071
2. Defined benefit cost included in P&L	398	467
3. Total remeasurements included in OCI	(34)	596
5. Cash flows		
Employer direct benefit payments	(795)	(802)
8. Net defined benefit liability (asset) as of end of year	11,901	12,332

(euro thousand)	31.12.2024	31.12.2023
H. Defined benefit obligation		
1. Defined benefit obligation by participant status		
Actives	11,901	12,332
Total	11,901	12,332
J. Significant actuarial assumptions		
Weighted-average assumptions to determine benefit obligations		
1. Discount rate	3.30%	3.40%
2. Rate of salary increase	N/A	N/A
3. Rate of price inflation	N/A	N/A
4. Rate of pension increases	1.80%	2.00%
Weighted-average assumptions to determine defined benefit cost		
1. Discount rate	3.40%	4.10%
2. Rate of salary increase	N/A	N/A
3. Rate of price inflation	N/A	N/A
4. Rate of pension increases	2.00%	2.40%
K. Sensitivity analysis		
Present value of defined benefit obligation		
Discount rate -25 basis points	12,222	12,667
Discount rate +25 basis points	11,561	11,983
Rate of salary increase -25 basis points	11,886	12,320
Rate of salary increase +25 basis points	11,886	12,320
% impact on the defined benefit obligation		
Discount rate -25 basis points	2.82%	2.82%
Discount rate +25 basis points	-2.74%	-2.74%
Rate of salary increase -25 basis points	0.00%	0.00%
Rate of salary increase +25 basis points	0.00%	0.00%
Change in defined benefit obligation		
Discount rate -25 basis points	336	347
Discount rate +25 basis points	(326)	(337)
Rate of salary increase -25 basis points	0	0
Rate of salary increase +25 basis points	0	0
Weighted average duration of defined benefit obligation (in years)	11	11

17. TRADE PAYABLES

At 31 December 2024, trade payables were broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Trade payables	201,485	239,044
Payables to subsidiaries	32,157	30,081
Payables to associates and joint ventures	13,237	16,928
Total	**246,879**	**286,053**

18. TAX PAYABLES

This item includes payables due to current taxes:

(euro thousand)	31.12.2024	31.12.2023
Tax payables	0	1,351

Reference is made to Note 9 for movements in this item during the year.

19. CONTRACT LIABILITIES AND OTHER CURRENT PAYABLES

Other current payables at 31 December 2024 were broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Tax payables other than current tax	8,938	8,303
Social security payables	22,021	17,933
Payables to employees	42,400	42,663
Contract liabilities	79,530	74,742
Other payables	8,782	6,190
Total	**161,671**	**149,831**

Item "Tax payables other than current taxes" included tax payables for withholdings primarily on employee earnings.

Social security payables included contributions on employee remuneration paid in January 2025, plus accruals for contributions on deferred remuneration and performance bonuses. This item is changed during the year also for the reclassification of the social security payables relating to the 2022-2024 three-year incentive plan from the Other non-current liabilities since it will be paid in May 2025.

Payables to employees consisted of the amount payable for the December 2024 remuneration, paid in January 2025, provisions for holidays accrued but not taken and for performance bonuses.

Item "Contract liabilities" amounted to €79,530 thousand (€74,742 thousand in 2023) and included grants received from customers towards development activities suspended until the conclusion of the development activity and released to the Statement of Income over the life of the product (2024: €17,010 thousand).

STATEMENT OF INCOME

20. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers was broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Revenue from sales of brake systems	1,104,505	1,129,419
Revenue from equipment	9,420	5,703
Revenue from study and design acivities	23,264	19,358
Revenue from royalties	116,575	110,693
Total	**1,253,764**	**1,265,173**

The breakdown by geographical area and application is reported here below:

(euro thousand)	31.12.2024	%	31.12.2023	%	Change	%
Italy	234,727	18.7%	239,920	19.0%	(5,193)	-2.2%
Germany	284,057	22.7%	313,353	24.8%	(29,296)	-9.3%
France	39,320	3.1%	44,757	3.5%	(5,437)	-12.1%
United Kingdom	75,469	6.0%	56,644	4.5%	18,825	33.2%
Other European countries	333,952	26.7%	333,356	26.3%	596	0.2%
India	6,229	0.5%	6,082	0.5%	147	2.4%
China	52,131	4.2%	51,812	4.1%	319	0.6%
Japan	26,344	2.1%	16,069	1.3%	10,275	63.9%
Other Asian counties	23,828	1.9%	20,099	1.6%	3,729	18.6%
North America (USA, Canada, México)	171,962	13.7%	176,868	13.9%	(4,906)	-2.8%
South America (Argentina and Brazil)	4,031	0.3%	4,058	0.3%	(27)	-0.7%
Other countries	1,714	0.1%	2,155	0.2%	(441)	-20.5%
Net sales breakdown by geographical area	**1,253,764**	**100.0%**	**1,265,173**	**100.0%**	**(11,409)**	

(euro thousand)	31.12.2024	%	31.12.2023	%	Change	%
Passenger Car	800,787	63.9%	796,415	62.9%	4,372	0.5%
Motorbike	178,709	14.2%	180,130	14.2%	(1,421)	-0.8%
Racing	95,960	7.7%	107,123	8.5%	(11,163)	-10.4%
Commercial Vehicle	33,665	2.7%	40,138	3.2%	(6,473)	-16.1%
Miscellaneous	144,643	11.5%	141,367	11.2%	3,276	2.3%
Net sales breakdown by application	**1,253,764**	**100.0%**	**1,265,173**	**100.0%**	**(11,409)**	

21. OTHER REVENUES AND INCOME

This item is made up of:

(euro thousand)	31.12.2024	31.12.2023
Miscellaneous recharges	62,788	54,745
Gains on disposal of assets	258	124
Miscellaneous grants	4,228	8,830
Other revenues	8,348	3,074
Total	**75,622**	**66,773**

Item "Miscellaneous recharges" includes amounts charged back to Group companies as stated in Annex 3.
Item "Miscellaneous grants" referred to tax credits for R&D activities (€2,148 thousand) and the purchase of new assets (€420 thousand). The Company also received grants for personnel training amounting to €247 thousand and for R&D projects totalling €1,118 thousand, whereas the remainder referred to miscellaneous grants.

22. COSTS FOR CAPITALIZED INTERNAL WORKS

This item refers to the capitalization of development costs incurred during the year, amounting to €24,971 thousand compared to €21,446 thousand in 2023.

23. COST OF RAW MATERIALS, CONSUMABLES AND GOODS

This item, which also includes the effect arising from the change in inventories occurred in prior years, is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Purchase of raw materials, semi-finished and finished products	497,997	497,875
Purchase of consumables	39,190	39,380
Total	**537,187**	**537,255**

24. OTHER OPERATING COSTS

These costs are broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Transports	26,255	22,655
Maintenance, repairs and utilities	55,150	72,973
Contracted work	86,813	87,965
Leases	23,089	16,701
Other operating costs	128,206	126,146
Total	**319,513**	**326,440**

Item "Other operating costs" mainly includes fees for legal, technical and commercial consulting, as well as the costs of travels, quality-related costs and insurance costs.

25. PERSONNEL EXPENSES

Personnel expenses are broken down:

(euro thousand)	31.12.2024	31.12.2023
Wages and salaries	192,464	180,687
Social security contributions	57,803	54,354
Employees' leaving entitlement and other personnel provisions	12,248	10,987
Other costs	34,316	43,069
Total	**296,831**	**289,097**

The average number and the year-end number of Company employees, by category and compared to the previous year, were as follows:

	Managers	White-collars	Blue-collars	Total
2024 average	**102**	**1,714**	**1,585**	**3,401**
2023 average	99	1,597	1,589	**3,285**
Change	3	117	-4	**116**
Total at 31 December 2024	**105**	**1,733**	**1,574**	**3,412**
Total at 31 December 2023	101	1,657	1,612	**3,370**
Change	4	76	-38	**42**

No employees work at companies with registered offices in the Netherlands, as the Company's actual and operating headquarters continue to be located in Italy.

26. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Amortization of intangible assets:		
Development costs	17,253	16,451
Industrial patents and similar rights for original work	1,553	1,355
Licenses, trademarks and similar rights	494	489
Other intangible assets	5,601	5,444
Total	**24,901**	**23,739**
Depreciation of property, plant and equipment:		
Buildings	3,904	3,165
Leased buildings	6,093	5,419
Plant and machinery	26,972	25,142
Industrial and commercial equipment	11,056	9,919
Other assets	1,435	1,329
Other leased assets	2,086	2,579
Total	**51,546**	**47,553**
Imparment losses:		
Property, plant and equipment	296	184
Intangible assets	2,528	2,414
Total	**2,824**	**2,598**
Total amortization, depreciation and impairment losses	**79,271**	**73,890**

Comments on impairment losses are provided in the notes to the Statement of Financial Position items.

27. NET INTEREST INCOME (EXPENSE)

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Exchange rate gains	14,958	13,000
Interest income	37,099	31,955
Total interest income	**52,057**	**44,955**
Exchange rate losses	(17,802)	(18,158)
Interests expense from employee's leaving entitlement and other personnel provisions	(398)	(467)
Lease interest expense	(1,786)	(1,557)
Interest expense	(37,585)	(30,434)
Total interest expense	**(57,571)**	**(50,616)**
Total net interest income (expense)	**(5,514)**	**(5,661)**

Items "Exchange rate gains" and "Exchange rate losses" include the effects of the management of foreign exchange hedges undertaken through forward contracts for an negative amount of €7,143 thousand.

For contracts of this type, generally the Company does not opt to apply hedge accounting pursuant to IFRS 9 since there is no formal designation of the hedged item and hedging instrument, in the belief that the representation of the impact of the strategy for hedging this risk on the Statement of Income and Statement of Financial Position is nonetheless assured.

28. INTEREST INCOME (EXPENSE) FROM INVESTMENTS

Interest income from investments amounted to €84,511 thousand (€50,709 thousand in 2023).
This item mainly refers to the dividends received in 2024 from the subsidiaries Corporación Upwards '98 S.A., Brembo Japan Co. Ltd., Brembo Scandinavia A.B., AP Racing Ltd., Brembo Deutschland GmbH, Brembo Nanjing Brake Systems Co. Ltd., Brembo North America Inc., Brembo Brake India Pvt. Ltd. and Qingdao Brembo Trading Co. Ltd. for a total amount of €48,818 thousand, those received from the associates Brembo SGL Carbon Ceramics Brakes S.p.A. totalling €15,000 thousand, as well as those received from Pirelli & C. S.p.A. amounting to €11,048 thousand.

The item also includes the release of the write-down provision of the investment in Brembo do Brazil Ltda. for €9,644 thousand.

29. TAXES

This item is broken down as follows:

(euro thousand)	31.12.2024	31.12.2023
Current taxes	34,309	35,917
Deferred taxes (assets) and liabilities	(3,973)	(3,991)
Prior years' taxes and other tax payables	6,463	567
Total	**36,799**	**32,493**

The following is a reconciliation of theoretical and actual tax burden:

		31.12.2024		31.12.2023	
(euro thousand)		IRES	IRAP	IRES	IRAP
Pre-tax income	**A**	**200,551**	**200,551**	**171,758**	**171,758**
IRES/IRAP difference in taxable amount	B		219,122		238,852
	C = A +/- B	200,551	419,673	171,758	410,610
Applicable rate (%)	D	24.00%	3.90%	24.00%	3.90%
Theoretical taxes	**E = D x C**	**48,132**	**16,367**	**41,222**	**16,014**
Effect on tax relief	F	(920)	(10,331)	(2,203)	(9,881)
Fiscal effect on permanent differences: other non-taxed revenues, net of non-deductible costs	G	(22,222)	(690)	(13,051)	(175)
Fiscal effect on temporary differences	H		(363)	218	(9)
Other temporary differences	I	3,928	408	3,767	15
Current tax burden recognized through P&L	**M = sum (E - I)**	**28,918**	**5,391**	**29,953**	**5,964**
Deferred tax liabilities		(4)	(44)	(779)	0
(Deferred tax assets)		(3,924)	(1)	(3,206)	(6)
Effect on tax relief, including of prior years		6,130	333	433	134
Total deferred tax (asset) and liabilities	**N**	**2,202**	**288**	**(3,552)**	**128**
Total tax burden recognized through P&L	**M + N**	**31,120**	**5,679**	**26,401**	**6,092**

In 2024, the actual tax rate was 18.3% (18.9% in 2023).

The change in the tax rate for the reporting year was mainly attributable to higher dividends received in 2024 from foreign subsidiaries applying the participation exemption mechanism compared to those received in 2023.

ANNEXES TO THE SEPARATE FINANCIAL STATEMENTS

Annex 1

LIST OF SHAREHOLDINGS IN SUBSIDIARIES

Company	Headquarters		Share capital		Equity	Value in euro exchange rate 31.12.2024	Result before taxes	Net income (loss) for the period	Value in euro 2024 average exchange rate	Stake held by the company	Carrying value (euro)
AP Racing Ltd.	Coventry	United Kingdom	GBP	135,935	36,884,682	44,483,324	8,554,300	6,235,787	7,365,753	100.00%	30,719,578
Brembo Australia Pty Ltd	Melbourne	Australia	AUS	300,000	286,171	170,624	(13,829)	(13,829)	(8,433)	100.00%	188,737
Brembo Czech S.r.o.	Ostrava-Hrabová	Czech Republic	CZK	605,850,000	265,439,846	10,539,601	(612,504,568)	(721,519,996)	(28,724,162)	100.00%	71,402,501
Brembo Deutschland GmbH	Leinfelden-Echterdingen	Germany	EUR	25,000	2,677,550	2,677,550	3,143,438	2,214,263	2,214,263	100.00%	145,000
Brembo France S.a.s.	Paris	France	EUR	50,000	148,329	148,329	136,236	98,329	98,329	100.00%	50,000
Brembo Inspiration Lab Corp.	Sunnyvale, California	USA	USD	300,000	650,286	625,937	306,828	215,271	198,946	100.00%	249,087
Brembo Japan Co. Ltd.	Tokyo	Japan	JPY	11,000,000	492,739,371	3,021,826	102,686,475	65,225,696	398,161	100.00%	78,953
Brembo Nanjing Brake Systems Co. Ltd.	Nanjing	China	CNY	492,030,169	1,354,117,838	178,565,773	228,408,566	171,873,575	22,073,958	100.00%	68,255,134
Brembo North America Inc.	Plymouth, Michigan	USA	USD	33,798,805	324,061,922	311,927,928	28,606,430	23,430,787	21,653,970	100.00%	24,366,972
Brembo Poland Spolka Zo.o.	Dabrowa Gornizca	Poland	PLN	144,879,500	2,242,207,506	524,492,984	265,104,305	217,449,526	50,502,149	100.00%	17,902,583
Brembo Reinsurance AG	Zürich	Switzerland	EUR	6,148,533	14,717,599	14,717,599	2,690,699	2,237,846	2,237,846	100.00%	12,033,390
Brembo Russia LLC	Moscow	Russia	RUB	1,250,000	90,476,420	786,912	6,623,880	6,913,934	69,018	100.00%	25,636
Brembo Scandinavia A.B.	Göteborg	Sweden	SEK	4,500,000	22,063,968	1,925,471	8,838,330	6,982,911	610,880	100.00%	557,400
J. Juan S.A.U.	Barcelona	Spain	EUR	150,260	60,435,018	60,435,018	(3,291,281)	(786,533)	(786,533)	100.00%	76,395,112
La.Cam (Lavorazioni Camune) S.r.l.	Stezzano (BG)	Italy	EUR	100,000	18,384,786	18,384,786	2,323,289	1,735,958	1,735,958	100.00%	4,100,000
Qingdao Brembo Trading Co. Ltd.	Qingdao	China	CNY	1,365,700	163,822,631	21,603,080	76,648,457	56,950,403	7,314,218	100.00%	134,998
Brembo Brake India Pvt. Ltd.	Pune	India	INR	140,000,000	7,330,470,369	82,426,423	2,518,793,701	1,876,078,390	20,723,110	99.99%	17,364,178
Brembo do Brasil Ltda.	Betim	Brazil	BRL	159,136,227	177,873,859	27,683,355	39,751,049	33,063,084	5,674,326	99.99%	27,688,966
Brembo Thailand Ltd.	Rayong	Thailand	THB	273,280,000	211,649,890	5,932,557	(57,287,659)	(57,287,659)	(1,500,521)	99.99%	7,189,303
Corporación Upwards '98 S.A.	Zaragoza	Spain	EUR	498,043	20,467,741	20,467,741	4,991,382	3,741,789	3,741,789	68.00%	4,647,800
Brembo Huilian (Langfang) Brake Systems Co. Ltd.	Langfang	China	CNY	170,549,133	550,242,573	72,559,779	78,626,249	69,078,808	8,871,886	66.00%	79,631,522
Brembo (Nanjing) Automobile Components Co. Ltd.	Nanjing	China	CNY	226,565,500	1,129,109,286	148,894,187	304,149,880	239,091,512	30,706,849	60.00%	19,283,850
SBS Friction A/S	Svendborg	Denmark	DKK	12,001,000	62,811,536	8,422,261	716,245	812,268	108,899	60.00%	18,246,390
Brembo México S.A. de C.V.	Apodaca	México	USD	20,428,836	189,910,493	182,799,590	23,778,320	11,609,430	10,729,057	49.00%	12,579,053

Data refers to the financial statements prepared in accordance with IFRS.

Annex 2

LIST OF SHAREHOLDINGS IN ASSOCIATES AND JOINT VENTURES

Company	Headquarters			Share capital	Equity	Value in euro exchange rate 31.12.2024	Net income (loss) for the period	Value in euro 2024 average exchange rate	Stake held by the company	Carrying value (euro)
Brembo SGL Carbon Ceramics S.p.A.	Stezzano (BG)	Italy	EUR	4,000,000	51,946,499	51,946,499	22,505,404	22,505,404	50.00%	24,242,684
Shandong BRGP Friction Technology Co. Ltd.	Jinan	China	CNY	124,900,000	124,224,519	16,381,327	13,136,955	1,732,353	50.00%	8,360,943
Petroceramics S.p.A.	Stezzano (BG)	Italy	EUR	123,750	7,630,706	7,630,706	221,645	221,645	20.00%	500,000
Infibra Technologies S.r.l.	Pisa	Italy	EUR	53,133	617,857	617,857	(174,761)	(174,761)	20.00%	800,000

Data refers to the financial statements prepared in accordance with IFRS.

Annex 3

WEIGHT OF RELATED PARTY TRANSACTIONS

	31.12.2024						31.12.2023					
		Related parties						Related parties				
(Euro)	Carrying value	Total	Key management personnel	Other companies	Subsidiaries, associates and JVS	%	Carrying value	Total	Key management personnel	Other companies	Subsidiaries, associates and JVS	%
a) Weight of transactions or positions with related parties on items of the Statement of Financial Position												
Trade receivables	286,733,883	168,086,220	6,750	5,600	168,073,870	*58.62*	272,291,826	141,102,170	9,990	7,680	141,084,500	*51.82*
Other current financial assets	243,097,357	243,024,899	0	0	243,024,899	*99.97*	245,736,501	245,672,026	0	0	245,672,026	*99.97*
Other non-current liabilities	0	0	0	0	0	*0.00*	(1,788,371)	(627,603)	(627,603)	0	0	*35.09*
Employee benefits	(38,254,697)	(13,084,551)	(13,084,551)	0	0	*34.20*	(28,850,698)	(8,395,108)	(8,395,108)	0	0	*29.10*
Other current financial liabilities	(194,917,520)	(194,657,952)	0	0	(194,657,952)	*99.87*	(205,479,609)	(147,766,207)	0	0	(147,766,207)	*71.91*
Trade payables	(246,878,929)	(45,815,984)	0	(422,426)	(45,393,558)	*18.56*	(286,052,547)	(50,285,221)	(161,119)	(3,114,741)	(47,009,361)	*17.58*
Other current liabilities	(82,140,697)	(4,678,191)	(4,548,288)	0	(129,903)	*5.70*	(75,088,543)	(3,920,388)	(3,787,316)	0	(133,072)	5.22
b) Weight of transactions or positions with related parties on items of the Statement of Income												
Revenue from contracts with customers	1,253,763,673	229,574,036	0	4,590	229,569,446	*18.31*	1,265,172,639	222,147,037	0	4,955	222,142,082	*17.56*
Other revenues and income	75,622,069	61,632,168	27,000	10,893	61,594,275	*81.50*	66,772,783	52,395,118	18,147	8,855	52,368,116	*78.47*
Raw materials, consumables and goods	(537,187,285)	(181,910,970)	0	(25,430)	(181,885,540)	*33.86*	(537,255,448)	(157,822,059)	0	(11,028)	(157,811,031)	*29.38*
Other operating costs	(319,513,164)	(38,801,833)	(7,174,274)	(1,380,788)	(30,246,771)	*12.14*	(326,439,514)	(34,131,858)	(7,820,505)	(1,124,046)	(25,187,307)	*10.46*
Personnel expenses	(296,831,487)	(6,332,442)	(6,234,558)	(97,884)	0	*2.13*	(289,096,510)	(7,284,622)	(7,130,297)	(154,325)	0	*2.52*
Net interest income (expense)	(5,514,246)	14,020,080	(287,807)	0	14,307,887	*-254.25*	(5,661,027)	13,327,387	174,376	0	13,153,011	*-235.42*
Interest income (expense) from investments	84,510,893	74,866,421	0	11,048,400	63,818,021	*88.59*	50,709,010	50,642,123	0	12,164,400	38,477,723	*99.87*

5.5 BOARD OF DIRECTORS' STATEMENTS

Based on the assessment performed, the Board of Directors believes that, as of 31 December 2024, the Group's and the Company's internal control over financial reporting is considered effective and that:

- the Control Risks and Sustainability Committee and Internal Audit Function paragraphs provide sufficient insights into any failings in the effectiveness of the internal risk management and control systems with regard to the risks as referred to in best practice provision 1.2.1 of the New Dutch Corporate Governance Code;
- the internal risk management and control systems are designed to provide reasonable assurance that the financial reporting does not contain any material inaccuracies;
- based on the current state of affairs, it is justified that the financial reporting is prepared on a going concern;
- the Management Board Report states those material risks and uncertainties that are relevant to the expectation of the Company's continuity for the period of twelve months after the preparation of the report, as referred to in best practice provision 1.2.1 of the Dutch Corporate Governance Code.

Bergamo, 18 March 2025

BOARD OF DIRECTORS

Matteo Tiraboschi
Executive Chairman
Cristina Bombassei
Executive Director
Elisabetta Magistretti
Non-Executive and Independent Director
Elizabeth M. Robinson
Non-Executive and Independent Director
Michela Schizzi
Non-Executive and Independent Director
Roberto Vavassori
Executive Director

Daniele Schillaci
Chief Executive Officer
Giancarlo Dallera
Non-Executive and Independent Director
Umberto Nicodano
Non-executive Director
Gianfelice Rocca
Non-Executive and Independent Director
Manuela Soffientini
Non-Executive and Independent Director

5.6 INDEPENDENT AUDITORS' REPORTS

Deloitte.

Deloitte Accountants B.V.
Audit
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P.O. Box 58110
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The Netherlands

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INDEPENDENT AUDITOR'S REPORT

To the shareholders and Board of Directors of Brembo N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements for 2024 of Brembo N.V. based in Amsterdam.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Brembo N.V. as at 31 December 2024, and of its result and its cash flows for 2024 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:
1. The consolidated and company statement of financial position as at 31 December 2024.
2. The following statements for 2024: The consolidated and company income statement, the consolidated and company statements of comprehensive income, changes in equity and cash flows.
3. The notes comprising material accounting policy information and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Brembo N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion was addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at EUR 26.100.000. The materiality is based Profit before tax from continuing operations. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

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Audits of the group entities (components) were performed using materiality levels determined by the judgment of the group audit team, taking into account the materiality of the financial statements as a whole and the reporting structure within the group.

We agreed with the Board of Directors that misstatements in excess of EUR 1.305.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Brembo N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Brembo N.V.

Based on our risk assessment, we determined the nature, timing and extent of audit procedures to be performed, including determining the components at which to perform audit procedures.

Because we are ultimately responsible for our opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out on the entities. Our group audit is mainly focused on financially large entities in terms of size and financial interest or where significant risks or complex activities were present.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence was obtained as a basis for our opinion on the group financial statements as a whole. The group audit team provided detailed instructions to the component auditors, reviewed the component audit team deliverables and if considered necessary, directed the planning, visited the components, and reviewed the audit files.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the financial statements.

Audit approach fraud risks

In accordance with Dutch Standards on Auditing, we are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatements, whether due to fraud or error. Inherent to our responsibilities for the audit of the financial statements, there is an unavoidable risk that material misstatements go undetected, even though the audit is planned and performed in accordance with Dutch law. The risk of undetected material misstatements due to fraud is even higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Also, we are not responsible for the prevention and detection of fraud and non-compliance with all laws and regulations. Our audit procedures differ from a forensic or legal investigation, which often has a more in-dept character.

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the entity and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Board exercises oversight, as well as the outcomes. We refer to section 4.4.2 Risk factors an mitigation strategies of the "Corporate Governance Report" for management's risk assessment.

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We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists.

We evaluated whether these factors indicate that a risk of material misstatement due fraud is present.

We identified the following fraud risks:
1. Management override of controls
2. Revenue recognition

Below we have summarized our related procedures.

Management override of controls

We have identified the inherent risk that management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records by overriding controls and more specifically:
- journal entries and other manual adjustments made during the preparation of the Financial statements;
- the use of estimates including high level of judgement and assumptions subject to management bias; and
- significant transactions outside the normal course of business for the group.

During our audit, we have:
a. evaluated the design and implementation of the relevant internal controls mitigating the risk of management override of controls in combination with the underlying general information technology controls and application controls; and
b. performed journal entry testing audit procedures, using selected criteria of investigation.

Based on our audit procedures performed, we did not identify instances or suspicions of fraud due to management override of controls.

Revenue Recognition

As revenue recognition is a presumed fraud risk under ISA 240, we assessed whether incentives, opportunities, attitudes, and capabilities exist that could lead to fraudulent revenue recognition.

Risk Factors Identified

- The Company has annual (MBO) and multi-year (LTIP) incentive plans that may create pressure to manipulate revenue to meet performance targets. However, mitigating factors, including balanced weighting of financial and non-financial metrics and a clawback clause, reduce this risk.
- The presence of complex revenue streams and management's ability to influence revenue-related assumptions may provide opportunities for manipulation. However, historical compliance with financial covenants and a stable financial position reduce the likelihood of fraudulent revenue recognition.
- While management has the ability to influence revenue recognition, the presence of internal controls, external oversight, and past compliance with financial covenants mitigates this risk.

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Audit Procedures Performed

To address the risk of fraudulent revenue recognition, we have:

a. Assessed the design and implementation of key internal controls related to revenue recognition, including authorization, recording, and reconciliation processes.
b. Tested journal entries related to revenue transactions, focusing on unusual or post-closing adjustments.
c. Performed substantive analytical procedures, including trend analysis and cut-off testing, to identify any anomalies.
d. Reviewed contract terms and revenue recognition policies to ensure compliance with applicable accounting standards.
e. Assessed whether revenue recorded was supported by valid underlying transactions, including customer receipts and shipping documentation.

Based on the audit procedures performed, we did not identify instances or suspicions of fraudulent revenue recognition.

Additionally, we performed further procedures including, among others, the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.
- We considered available information and made enquiries of relevant executives, directors (including Legal Counsel, Internal Audit, the Compliance Department and Financial Reporting and Accounting) and those charged with governance. We have obtained written representations that all known instance of (suspected) fraud and other irregularities have been disclosed to us.
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements.
- We evaluated whether the selection and application of accounting policies by the entity, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting.
- We evaluated whether the judgments and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud.
- We performed a retrospective review of management judgments and assumptions related to significant accounting estimates reflected in prior year financial statements.
- For significant transactions such as acquisitions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets.

This did not lead to indications for fraud potentially resulting in material misstatements.

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Audit approach compliance with laws and regulations

We assessed the laws and regulations relevant to the entity through discussion with amongst others, management, the Legal Counsel and those charged with governance and by, reading minutes and reports of internal audit.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (Corporate) tax law, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, Brembo N.V. is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of Brembo N.V.'s business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations.

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to Brembo N.V.'s ability to continue its business, or to avoid material penalties (e.g. compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of Board of Directors, the Legal Counsel and others within Brembo N.V. as to whether Brembo N.V. is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

Audit approach going concern

The financial statements have been prepared in accordance with the going concern assumption. The appropriateness of the going concern assumption depends on management's assessment of the expected company performance within its future economic environment. The Board of Directors believes that no events or conditions, give rise to doubt the ability of the group to continue in operation during at least twelve months after the adoption of the financial statements.

We have obtained management's assessment of the entity's ability to continue as a going concern and have assessed the going concern assumption applied. As part of our procedures, we evaluated whether sufficient appropriate audit evidence has been obtained regarding, and have concluded on, the appropriateness of

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management's use of the going concern basis of accounting in the preparation of the consolidated financial statements. Based on these procedures, we did not identify any reportable findings related to the entity's ability to continue as going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Board of Directors. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment testing

Description

Brembo N.V.'s consolidated financial statements show property, plant, machinery and other equipment amounting to Euro 1.542 million, right of use assets amounting to Euro 233 million, development costs amounting to Euro 109 million, goodwill and other intangible assets with a in indefinite life amounting to Euro 123 million and other intangible assets equal to Euro 79 million.

The Group conducts an impairment test annually on goodwill and intangible assets with indefinite useful lives and whenever there are any impairment indicators; for the Cash Generating Units ("CGUs") that do not have goodwill or intangible assets with indefinite useful lives allocated, the impairment test is conducted on Property, plant, machinery and other equipment, Right of use assets, Development costs and Other intangible assets if there is an impairment indicator.

During the year ending on December 31, 2024, only Brembo Czech S.r.o.o. showed impairment indicators and the impairment test on its Property, plant, machinery and other equipment, Right of use assets, Development costs and Other intangible assets carrying amount was performed.

The methodology adopted by the Group to ensure that all the assets under the scope of the International Accounting Standard no. 36 "Impairment of assets" are not booked in the financial statements at more than the recoverable amount are complex and based on assumptions. The processes and methods to evaluate and determine the recoverable amount of each CGU, in terms of value in use, are based on assumptions that, due to their nature, imply the use of management's judgement, in particular with reference to the future cash flows forecast in the period of the Group budget and business plan, to the determination of the normalized cash flows and long term growth rate (the so called g-rate) used to estimate terminal value and, finally, the discount rate.

Considering the level of judgment and the complexity of the assumptions applied in estimating the recoverable amount of the above-mentioned fixed assets, and the presence of impairment indicators for Brembo Czech S.r.o.o., we consider this area to be a key audit matter.

The disclosure related to the recoverability valuation of the above-mentioned assets is given in Note 2 - Impairment test paragraph and in the sections "Discretionary valuations and significant accounting estimates" , "Impairment of non-financial assets".

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How the key audit matter was addressed in the audit

We have preliminarily analyzed the methods used by Management to determine the value in use of the CGU, focusing on the methods and assumptions adopted to develop the impairment test.

Our audit procedures in response to this key audit matter included, among others, also involving our experts:

- Understanding of the relevant controls that the Group has in place with reference to the impairment test process;
- Reasonability analysis of the main assumptions adopted to estimate the future cash flows forecast, also through sector analysis and the information obtained by Management;
- Comparison of the actual data and the estimated ones, in order to evaluate the deviations nature and the reliability of the budgeting and planning process;
- Reasonableness analysis of the discount rate (WACC) and of the long-term growth rate (g-rate);
- Analysis of the mathematical accuracy of the model used to determine the CGU value in use;
- Analysis of the correct determination of the CGU carrying amount;
- Check of the sensitivity analysis carried out by Management.

Finally, we reviewed the adequacy and the compliance of the disclosure given by the Company on the impairment test to what provided by IAS 36.

Our observation

The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. Our procedures did not result in any reportable matters.

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Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Report of the Board of Directors.
- Corporate Governance Report.
- Remuneration Report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains all the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The Board is responsible for the preparation of the other information, including the Report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Shareholder as auditor of Brembo N.V. on 23 April 2024 as of the audit for year 31 December 2024 and have operated as statutory auditor ever since that financial year.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

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European Single Electronic Format (ESEF)

Brembo N.V. has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in XHTML format, including the (partly) marked-up consolidated financial statements, as included in the reporting package of Brembo N.V. complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Our examination included amongst others:

- Obtaining an understanding of entity's financial reporting process, including the preparation of the reporting package.
- Identifying and assessing the risks that the annual report does not comply in all material respects with the RTS on ESEF and designing and performing further assurance procedures responsive to those risks to provide a basis for our opinion, including:
  - obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance and the XBRL extension taxonomy files has been prepared in accordance with the technical specifications as included in the RTS on ESEF;
  - examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of the Board for the financial statements

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code and for the preparation of the report of the Board of Directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board is responsible for such internal control as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board should prepare the financial statements using the going concern basis of accounting unless the Board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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The Board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Concluding on the appropriateness of the Board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor's report.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an additional report to the Audit Committee in accordance with

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Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine the key audit matters: Those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 18 March 2025

Deloitte Accountants B.V.

E.J. Scheffer

5.7 LIMITED ASSURANCE-REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

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LIMITED ASSURANCE-REPORT OF THE INDEPENDENT AUDITOR ON THE SUSTAINABILITY STATEMENT

To: The Shareholders and Board of Directors of Brembo N.V.

Our conclusion

We have performed a limited assurance engagement on the sustainability statement for 2024 of Brembo N.V. based in Amsterdam (hereinafter: the company) included in the section "sustainability statements" on pages 39 - 129 of the accompanying annual report, including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the company to identify the information reported pursuant to the ESRS.

- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of Brembo N.V in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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Emphasis of matter

Emphasis on the most significant uncertainties affecting the quantitative metrics

We draw attention to section "Disclosures in relation to specific circumstances" of the sustainability statements that identifies the quantitative metrics that are subject to a high level of measurement uncertainty refer to the relevant sections within the disclosure where information about the sources of measurement uncertainty and the assumptions, approximations and judgements the company has made in measuring these in compliance with the ESRS.

The comparability of sustainability information between entities and over time may be affected by the lack of historical sustainability information in accordance with the ESRS and by the absence of a uniform practice on which to draw, to evaluate and measure this information. This allows for the application of different, but acceptable, measurement techniques, especially in the initial years.

Emphasis on the double materiality assessment process

We draw attention to section "IRO-1 Description of the process to identify and assess material impacts, risks and opportunities" of the sustainability statement. This disclosure explains future improvements in the ongoing due diligence process and that Brembo considers double materiality assessment as an ongoing process. Due diligence is an on-going practice that responds to and may trigger changes in the company's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The double materiality assessment process may also be impacted in time by sector-specific standards to be adopted or developments in stakeholder expectations, regulatory developments, changes in risk management or new business developments. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

Comparative information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability statement of prior year. Consequently, any comparative information in the sustainability statement and there to related disclosures for the year ended 31 December 2024. have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect of this matter.

Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, the Board of Directors of the company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

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Responsibilities of the Board of Directors for the sustainability statement

The Board of Directors are responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, the Board of Directors are responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Furthermore, the Board of Directors are responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The Audit Committee responsible for overseeing the sustainability reporting process and approves the double materiality assessment process carried out by the company.

Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management) and the International Standard on Quality Management (ISQM) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the company, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the company as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS.

- Obtaining through inquiries a general understanding of the internal control environment, the company's processes for gathering and reporting entity-related and value chain information, the information systems and the company's risk assessment process relevant to the preparation of the sustainability statement and for identifying the company's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining assurance information about the implementation, or testing the operating effectiveness, of controls.

- Assessing the double materiality assessment process carried out by the company and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements,

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whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis.

- Considering whether the description of the double materiality assessment process in the sustainability statement made by the Board of Directors appears consistent with the process carried out by the company.
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends in the information submitted for consolidation at corporate level.
- Assessing whether the company's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Board of Director's estimates.
- Analysing, on a limited sample basis, relevant internal and external documentation available to the company (including publicly available information or information from actors throughout its value chain) for selected disclosures.
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement.

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- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the company, are consistent or coherent with the sustainability statement and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met; and
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented.
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS.

Amsterdam, 18 March 2025

Deloitte Accountants B.V.

E.J. Scheffer

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Bergamo Register of Companies
Tax Code and VAT Code no. 00222620163


brembo